

FEDERAL SUBRECIPIENT MONITORING PLAN AND GUIDE

Administered by Southeast Conference for the Economic Development Administration's (EDA)
American Rescue Plan Build Back Better Regional Challenge Grant

SOUTHEAST CONFERENCE

FEDERAL SUBRECIPIENT

MONITORING PLAN & GUIDE

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INTRODUCTION

1. Purpose

As a prime federal grant award recipient, the Southeast Conference (SEC) has the responsibility to ensure the success of subawards. This means regular monitoring of subrecipient's programmatic and financial activities.

The purpose of this monitoring plan is to provide an internal control mechanism designed to review performance over a period of time and to evaluate compliance of subrecipients funded by SEC pursuant to federal guidelines. OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) ("Uniform Guidance"), specifically §200.331, requires pass-through entities to evaluate each subrecipient's risk of noncompliance in order to determine the appropriate monitoring level, monitor the activities of subrecipient organizations to ensure that the subaward is in compliance with applicable federal statutes and regulations and terms of the subaward, and verify that subrecipients are audited as required by Subpart F of the Uniform Guidance.

This monitoring plan positions SEC to make informed judgements about subrecipients program effectiveness, efficiency, and their ability to prevent fraud, waste, and abuse of public funds. Monitoring also allows SEC to provide technical assistance to help subrecipients comply with applicable laws and regulations, improve performance and increase capacity. Likewise, monitoring helps to identify deficiencies and highlight accomplishments and best practices that can be duplicated.

This document will identify the types of monitoring, the risk analysis to determine monitoring levels and the procedures and tools for monitoring. Adequate documentation is required to be maintained to ensure risk assessment and appropriate monitoring is occurring as planned.

2. Scope

Subrecipient monitoring starts at the prime award proposal stage and ends when a subaward is fully closed. It encompasses programmatic and financial activities that are linked to direct federal funding as well as required nonfederal funding commonly referred to as Cost Sharing or Matching.

PRE-AWARD PROCEDURAL COMPLIANCE

3. Subrecipient Information and Pre-Award Risk Assessment Survey

All subrecipients are required to complete a Subrecipient Information and Risk Assessment Survey, Appendix A. Information from the survey will be used to assess an organization's structure and capacity-building needs and identify any appropriate technical assistance and/or resources to strengthen operations. The provided information as well as requested documents will be used to assess that the organization has adequate history of performance and possess financial and management systems that appropriately account for allowable and unallowable costs, documentation of expenditures, allocation of costs, cash management, and internal controls.

4. Pre-award Responsibilities & Due Diligence

Subaward Agreements – Pursuant to 2 CFR 200.331, SEC must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, SEC must provide the best information available to describe the Federal award and subaward. Required information includes:

A. Federal Award Identification.

- a. Subrecipient name (which must match the name associated with its unique entity identifier).
- b. Subrecipient's unique entity identifier; (UEI)
- c. Federal Award Identification Number (FAIN);
- d. Federal Award Date (see §200.39 Federal award date) of award to the recipient by the Federal agency.
- e. Subaward Period of Performance Start and End Date.
- f. Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient.
- g. Total Amount of Federal Funds Obligated to the subrecipient including the current obligation.
- h. Total Amount of the Federal Award committed to the subrecipient.
- i. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA).

- j. Name of Federal awarding agency, pass-through entity, and contact information for awarding official.
- k. CFDA Number and Name.
- l. Identification of whether the award is R&D; and
- m. Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs).
- B. All requirements imposed by SEC 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.
- C. Any additional requirements that SEC imposes on the subrecipient for the SEC to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports.
- D. 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 SEC and the subrecipient (in compliance with this part), or a 10% de minimis indirect cost rate as defined in §200.414 Indirect (F&A) costs, paragraph (f).
- E. A requirement that the subrecipient permit SEC and auditors to have access to the subrecipient's records and financial statements as necessary for SEC to meet the requirements of this part; and
- F. Appropriate terms and conditions concerning closeout of the subaward.

Additional Subaward Agreement language that SEC requires:

- A. Subrecipient certification of its compliance with the requirements of OMB Uniform Guidance.
- B. Subrecipient requirement to disclose any conflicts of interest related to the agreement or the administration of the federal pass-through grant.
- C. Subrecipient requirement for the retention of all financial records and support related to compliance and the expenditure of the federal pass-through funds for a period of three (3) years from the date of the final close-out of the federal grant; and
- D. Representations and Certifications to include.
 - a. 2 CFR part 200, Appendix II – Contract Provisions for Non-federal Entity Contracts Under Federal Awards.
 - b. Debarment and Suspension as defined in 2 CFR Part 180.
 - c. Federal Funding Accountability and Transparency Act (FFATA).
 - d. Compliance with Conflict-of-Interest provisions in 2 CFR 200.317; and
 - e. Compliance with Single Audit under 2 CFR 200.317.

Verifications – SEC must:

- A. 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.
- B. If applicable, verify that subrecipient's audit findings have been resolved.
- C. Verify that every subrecipient is registered in SAM.gov. If the subrecipient is either not registered or their registration has expired, SEC will contact the subrecipient to update this information.
- D. Verify that subrecipient and principals are not included on the debarment or suspended parties' list; and
- E. Verify that proposal budget information is correct and comprised of allowable costs and activities.

SUBRECIPIENT MONITORING DURING THE LIFE OF THE SUBAWARD

5. Risk Assessment

Section 200.331 (b) of the Uniform Guidance requires pass-through entities to evaluate each subrecipients risk of noncompliance to determine appropriate subrecipient monitoring.

- A. Initial Risk Assessment – Prior to the commencement of expenditure reimbursement, SEC will review completed Subrecipient Information and Risk Assessment Survey, Appendix A. SEC will then complete a Risk Assessment Matrix, Appendix B, to help determine and document the potential risk of non-compliance of an organization related to the administration of the federal pass-through funds. All subrecipients are required to submit reimbursement requests with all supporting documentation for all spending during the duration of the grant for a desk audit to be conducted by SEC grant and financial associates.

SEC Desk Audit Program is included in the Monitoring Plan & Guide. During such audit, associates will examine documentation and perform procedures to determine whether reasonable assurance exists that subrecipient activities and related income/expense are allowable, reasonable, and allocable in accordance with the subaward and the Uniform Guidance. Findings will be recorded by SEC in subrecipient's Risk Assessment Matrix, Appendix B. Answers to the Risk Assessment Survey and results from the desk audits will contribute to the overall assessment of risk determined by SEC as the lead applicant.

The following factors are examples of considerations when assessing risk:

- a. Award complexity, sensitivity of the work, and/or extensiveness of the governing regulations.
 - b. Subrecipient's Federal Single Audit or internal audit performance (if applicable);
 - c. Subrecipient's performance on previous SEC conducted on-site and desk reviews.
 - d. Size of subrecipient award.
 - e. Prior experience with subrecipient.
 - f. Sophistication of subrecipient's systems and administrative operations.
 - g. Subrecipient's organizational changes.
 - h. Program performance.
 - i. Capacity, knowledge, and related skills of financial personnel.
 - j. Cumulative expenditure rate to budget.
 - k. Subrecipient's responses and answers to Initial Risk Assessment Survey; and
 - l. Shared Cost or Matching Funds (see section 7).

- B. Current Subrecipient Risk Assessments - For current subrecipients on existing grants, SEC will determine risk based on the above factors in addition to a desk audit of subrecipient's previous reimbursements. SEC grant and financial associates will complete a Current Subrecipient Risk Assessment Matrix, Appendix C.

- C. Annual Subrecipient Risk Assessments – SEC grant and financial associates will also complete a Current Subrecipient Risk Assessment Matrix, Appendix C, on an annual basis to assess whether or not a change should be made to subrecipient's previously assigned risk category and monitoring plan for the upcoming contract year. The assigned risk level can change during the life of a subaward due to:
 - a. Changes in the terms and conditions of the award.
 - b. Increase in dollar amount of subaward.
 - c. Relevant subrecipient audit findings; and
 - d. Issues with subrecipient compliance with the subaward terms and conditions.

6. Risk Based Monitoring Plans

Once subrecipient risk level has been determined, SEC will create an individually tailored monitoring plan, Appendix D, to be utilized during the contract year. Throughout the year SEC will document completed monitoring procedures on the subrecipient's Monitoring Checklist, Appendix E. Depending on the risk level assigned to the subaward, SEC grant and financial administration staff & associates may, at a minimum, utilize the following monitoring activities:

A. Low Risk Subrecipients

- a. Communication with subrecipient monthly regarding progress of project, as well as maintaining records of performance/progress reports.
- b. Monthly or quarterly review and approval of expenditures under the terms and conditions of the prime award and subaward.
- c. Ensure deliverables are in accordance with the scope of work.
- d. Periodic sampling for questioned costs during invoice review.
- e. Reimbursement request desk audit.
- f. On-site monitoring review by SEC personnel.
- g. Random policy spot check 1 time per year (sites only).
- h. Single Audit inspection and review of the audited financial statements; and
- i. Corrective action plan (if necessary).

B. Medium Risk Subrecipients

- a. Regular communication with subrecipient regarding progress of project, as well as maintaining records of performance/progress reports.
- b. monthly review and approval of expenditures under the terms and conditions of the prime award and subaward.
- c. Ensure deliverables are in accordance with the scope of work.
- d. Reimbursement request desk audit.
- e. On-site monitoring review by SEC personnel.
- f. Random policy spot checks one to two times per year (sites only).
- g. Targeted technical assistance sessions.
- h. Single Audit inspection and review of the audited financial statements; and
- i. Corrective action plan (if necessary).

C. High Risk Subrecipients

- a. Communication with subrecipient monthly regarding progress of project, as well as maintaining records of performance/progress reports.
- b. Monthly review and approval of expenditures under the terms and conditions of the prime award and subaward.
- c. Ensure deliverables are in accordance with the scope of work.
- d. Monthly reimbursement desk audit until risk level decreases.
- e. On-site monitoring review by SEC personnel.
- f. Random policy spot checks.
- g. Targeted technical assistance sessions (can be on site).
- h. Single Audit inspection and review of the audited financial statements; and
- i. Corrective action plan (if necessary).

*Note that monitoring plans can be modified to target specific areas of concern.

7. Risk Based Monitoring Plans & Federal Cost Sharing or Matching Compliance

SECs AMC federal award contains a significant nonfederal Matching requirement over a 4-year period. The majority of this requirement, as embedded in the approved grant proposal, is to be generated and documented by the subrecipients of the grant.

The significance, impact, and complexities surrounding the nature of the grant and its required cost sharing dictate that this segment of subrecipient monitoring be highly focused. A separate monitoring plan for Cost Sharing/Match is included within Appendix D.

Pursuant to 2 CFR 200.306, Southeast Conference must comply with strict rules surrounding compliance with Cost Sharing or Matching which include the following:

- A. For all Federal awards, any shared costs or matching funds and all contributions, including cash and third-party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing, or matching when such contributions meet all the following criteria:
 - a. Are verifiable from the non-Federal entity's records.
 - b. Are not included as contributions for any other Federal award.
 - c. Are necessary and reasonable for accomplishment of project or program objectives.
 - d. Are allowable under Subpart E—Cost Principles of this part.
 - e. Are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs.
 - f. Are provided for in the approved budget when required by the Federal awarding agency; and
 - g. Conform to other provisions of this part, as applicable.
- B. Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the non-Federal entity's approved negotiated indirect cost rate.
- C. Values for non-Federal entity contributions of services and property must be established in accordance with the cost principles in Subpart E—Cost Principles. If a federal awarding

agency authorizes the non-Federal entity to donate buildings or land for construction/facilities acquisition projects or long-term use, the value of the donated property for cost sharing or matching must be the lesser of paragraphs (C)(a) or (b) of this section.

- a. The value of the remaining life of the property recorded in the non-Federal entity's accounting records at the time of donation.
 - b. The current fair market value. However, when there is sufficient justification, the Federal awarding agency may approve the use of the current fair market value of the donated property, even if it exceeds the value described in (1) above at the time of donation.
- D. Volunteer services furnished by third-party professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for third-party volunteer services must be consistent with those paid for similar work by the non-Federal entity. In those instances, in which the required skills are not found in the non-Federal entity, rates must be consistent with those paid for similar work in the labor market in which the non-Federal entity competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, necessary, allocable, and otherwise allowable may be included in the valuation.
- E. When a third-party organization furnishes the services of an employee, these services must be valued at the employee's regular rate of pay plus an amount of fringe benefits that is reasonable, necessary, allocable, and otherwise allowable, and indirect costs at either the third-party organization's approved federally negotiated indirect cost rate or, a rate in accordance with §200.414 Indirect (F&A) costs, paragraph (d), provided these services employ the same skill(s) for which the employee is normally paid. Where donated services are treated as indirect costs, indirect cost rates will separate the value of the donated services so that reimbursement for the donated services will not be made.
- F. Donated property from third parties may include such items as equipment, office supplies, laboratory supplies, or workshop and classroom supplies. Value assessed to donated property included in the cost sharing or matching share must not exceed the fair market value of the property at the time of the donation.
- G. The method used for determining cost sharing or matching for third-party donated equipment, buildings and land for which title passes to the non-Federal entity may differ according to the purpose of the Federal award, if paragraph (G)(a) or (b) of this section applies.
 - a. If the purpose of the Federal award is to assist the non-Federal entity in the acquisition of equipment, buildings or land, the aggregate value of the donated property may be claimed as cost sharing or matching.

- b. If the purpose of the Federal award is to support activities that require the use of equipment, buildings or land, normally only depreciation charges for equipment and buildings may be made. However, the fair market value of equipment or other capital assets and fair rental charges for land may be allowed, provided that the Federal awarding agency has approved the charges. See also §200.420 Considerations for selected items of cost.
- H. The value of donated property must be determined in accordance with the usual accounting policies of the non-Federal entity, with the following qualifications:
 - a. The value of donated land and buildings must not exceed its fair market value at the time of donation to the non-Federal entity as established by an independent appraiser (e.g., certified real property appraiser or General Services Administration representative) and certified by a responsible official of the non-Federal entity as required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601-4655) (Uniform Act) except as provided in the implementing regulations at 49 CFR part 24.
 - b. The value of donated equipment must not exceed the fair market value of equipment of the same age and condition at the time of donation.
 - c. The value of donated space must not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality.
 - d. The value of loaned equipment must not exceed its fair rental value.
 - e. For third-party in-kind contributions, the fair market value of goods and services must be documented and to the extent feasible supported by the same methods used internally by the non-Federal entity.
 - f. For IHEs, see also OMB memorandum M-01-06, dated January 5, 2001, Clarification of OMB A-21 Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs.

78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75883, Dec. 19, 2014]

A SEPARATE MONITORING PLAN FOR MATCHING COMPLIANCE IS INCLUDED IN APPENDIX D OF THIS GUIDE.

8. Review and Approval of Invoices & Supporting Documentation

This section provides detailed procedures for reviewing and approving invoices and supporting documentation. Within the context of SEC's internal reporting guidelines, subrecipient "Invoices" represent SEC's provided *Reimbursement Request Template Packet*. When reviewing

invoices and supporting documentation, the SEC Project Director and/or SEC Director of Administration should do the following:

- A. Ensure financial reports required per terms and conditions of the subaward are received and complete (Appendix F).
- B. Review supporting financial reports to ensure expenditures are allowable according to the prime award requirement.
- C. Analyze the invoiced costs to ensure the costs are consistent with the technical progress and the scope of work proposed.
- D. Review to ensure required invoice certification is present. The invoice certification required per OMB Uniform Guidance (2 CFR 200), Section 200.415, should be on all invoices, annual and final financial reports:
 - a. “By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).”.
- E. At a minimum (Low Level of Risk Subrecipients), ensure a detailed, system-generated, financial report that includes a list of transactions and payroll records accompany each invoice. In addition, all supporting documentation should submitted to bbbfinance@seconference.org. This includes all supporting invoices and receipts for transactions.
- F. Ensure that all required additional documentation (general ledger detail, supporting invoices, receipts) for Medium and High Risk Subrecipients is included and reviewed pursuant to respective Risk-based Monitoring Plans.
- G. At a minimum (Low Level of Risk Subrecipients), conduct a periodic sampling review of transactions and/or payroll records to ensure costs incurred by the subrecipient are reasonable and allowable.
- H. Ensure that all required additional sampling review of transactions and/or payroll records for Medium and High Risk Subrecipients is completed pursuant to respective Risk-based Monitoring Plans.
- I. Complete the Subaward Payment Authorization (Appendix E of Subrecipient Monitoring Checklist) form for submission to Accounts Payable (AP). SEC’s Project Director and/ or SEC’s Director of Administration are required to complete and sign the Subaward Payment Authorization Form. Please note that this form **MUST** accompany all invoices sent to AP for payment. If form is incomplete or not

provided, approval of payment request could be delayed. Address payment request issues; and

- J. NO PAYMENT CAN BE MADE WITHOUT A FULLY EXECUTED SUBAWARD IN PLACE, COVERING THE PERIOD OF PERFORMANCE EXPENSED IN THE INVOICE.

9. Review of Performance/Program and Financial Reports

The section provides guidance for reviewing performance/program and financial reports. When reviewing performance/program and financial reports, the SEC Project Director and/or SEC Director of Administration should do the following:

- A. Ensure progress and financial reports are received based on the terms and conditions of the subaward (Appendix F).
- B. Verify that the work is being conducted and the results are in line with the proposed scope of work.
- C. Ensure that the expenditures are allowable and within the scope of work.
- D. Progress reports could include a detailed budget for the next budget period, and updated key personnel; and
- E. Communicate with the subrecipient if there are concerns or questions regarding the reports provided.

10. Subrecipient Monitoring done by SEC at Closeout:

When a subaward is completed, it is important for the Project Director and Director of Administration to perform the following actions to ensure a successful closeout of the subaward and timely reimbursement from the prime award:

- A. Send a Subaward Closeout Checklist to the subrecipient for certification 30-60 days before the end date of the subaward.
- B. Follow up with the subrecipient immediately upon the end date of the subaward to collect the final invoice, financial report, and technical report. If invoices are not received by the final invoice due date per the terms of the subaward, payment to subrecipient may not be possible.
- C. Ensure all invoices have been paid (including the FINAL invoice), all deliverables have been received, and the subrecipient has submitted all relevant reports (technical, final financial, etc.); and
- D. Draft a closeout letter for subrecipient's signature to legally release the subaward from financial obligation.

Appendix A

Sub-recipient Information and Risk Assessment Survey

Southeast Conference

This survey is intended to collect information about the capacity of organizations to manage federal grant funds. Information from the report will be used to assess an organization's structure and capacity-building needs and identify any appropriate technical assistance and/or resources to strengthen operations. The information below as well as requested documents will be used to assess whether an organization has adequate history of performance and financial and management systems that appropriately account for allowable and unallowable costs, documentation of expenditures, allocation of costs, cash management, and internal controls. Responding organizations are advised to ensure that the person or persons completing this form are those responsible for and knowledgeable of the organization's financial management systems.

1. Subrecipient Contact Information

Full Legal Organization/Business Name:

Address:

Telephone number:

Fax number:

Name of person and title completing this form:

E-mail address:

Number of employees:

UEI number:

EIN (Employee ID Number):

Fiscal Year (Month/Year):

Appendix A

2. Subrecipient Personnel Contact Information

Project Director for Subaward

Name:

Title:

Telephone Number: E-

Mailing Address:

Financial Contact for Subaward

Name:

Title:

Telephone Number: E-

Mailing Address:

3. Subrecipient Indirect Costs

Expiration Date (Month/Year):

Negotiated Federal Indirect Cost Rate? ☐ Yes ☐ No ☐ 10% De Minimis Rate

(If yes, please attach a copy of your current rate agreement)

4. Has Subrecipient received an award or subaward to conduct programs similar to those covered under this subaward agreement in the last two (2) fiscal years? If yes, provide a list of all such awards or subawards.

☐ Yes

☐ No

5. Was Subrecipient required to comply with the Single Audit requirements of the Uniform Guidance in the last two (2) fiscal years? (Compliance with 2 C.F.R. Part 200, Subpart F required if Subrecipient expends \$750,000 or more in federal awards in a fiscal year).

☐ Yes

☐ No

Appendix A

6. Have Subrecipient's annual financial statements been audited by an independent audit firm? If yes, provide a copy of the financial statements for the last two (2) fiscal years.

☐ Yes

☐ No

7. If the answers to Questions 5 or 6 is yes, were there any internal control weaknesses or compliance issues including findings or questioned costs identified within the audited financial statements in the last two (2) fiscal years? If yes, please explain any such. reported findings or questioned costs with respect to a federal award or subaward.

☐ Yes

No

Explanation (if applicable):

8. Is your financial system and internal controls designed so that there is an adequate segregation of duties?

☐ Yes

☐ No

Explanation (if applicable):

9. Are sources and expenditure of Federal funds AND non-Federal matching funds separately identified within your accounting system?

☐ Yes

☐ No

10. Are accounting records for Federal funds AND non-Federal matching funds supported by source documentation?

☐ Yes

☐ No

Appendix A

6. Have Subrecipient's annual financial statements been audited by an independent audit firm? If yes, provide a copy of the financial statements for the last two (2) fiscal years.	
☐ Yes	☐ No
7. If the answers to Questions 5 or 6 is yes, were there any internal control weaknesses or compliance issues including findings or questioned costs identified within the audited financial statements in the last two (2) fiscal years? If yes, please explain any such. reported findings or questioned costs with respect to a federal award or subaward.	
☐ Yes	☐ No
Explanation (if applicable):	
8. Is your financial system and internal controls designed so that there is an adequate segregation of duties?	
☐ Yes	☐ No
Explanation (if applicable):	
9. Are sources and expenditure of Federal funds <u>AND non-Federal matching funds</u> separately identified within your accounting system?	
☐ Yes	☐ No
10. Are accounting records for Federal funds <u>AND non-Federal matching funds</u> supported by source documentation?	
☐ Yes	☐ No

11. Are accounting records for Federal funds retained for at least 3 years after grant closeout dates?	
☐ Yes	☐ No
12. Are budgeted costs routinely compared with actual costs for federal awards?	
☐ Yes	☐ No
13. Does Subrecipient's financial system provide for the effective control over and accountability for all funds, property, and other assets (including but not limited to: (1) comparison of expenditures with budget amounts for each award; and (2) recording of each grant/contract by the budget cost categories shown in the approved budget)?	
☐ Yes	☐ No
14. Does Subrecipient's financial system provide for the effective control over and accountability for all funds, property, and other assets (including but not limited to: (1) comparison of expenditures with budget amounts for each award; and (2) recording of each grant/contract by the budget cost categories shown in the approved budget)?	
☐ Yes	☐ No
15. Other than financial statements, has any aspect of Subrecipient's activities been subject to an audit, examination, or monitoring within the last two (2) years by a governmental agency (e.g., Inspector General, state, or local government auditors, etc.)? If yes, please explain any audit or monitoring findings or deficiencies with respect to an award or subaward to conduct programs similar. to those covered by the proposed subaward agreement.	
☐ Yes	☐ No
Explanation (if applicable):	
16. Are all disbursements properly documented with original supporting documentation, evidence of receipt of goods, and the adequate performance of services?	
☐ Yes	☐ No

Appendix A

17. Are all bank accounts reconciled monthly and on a timely basis?

☐ Yes

☐ No

18. Does Subrecipient's accounting system include budgetary controls to preclude obligations in excess of:

the total funds available for a grant?

☐ Yes

☐ No

the total funds available for a budget cost category (e.g., Personnel, Travel)?

☐ Yes

☐ No

19. In the last 12 months, has Subrecipient implemented new or substantially changed systems related to its federal grant management?
If yes, please explain.

☐ Yes

☐ No

Explanation (if applicable):

20. Does Subrecipient have written policies that address the following?

Pay Rates and Benefits

☐ Yes

☐ No

Leave (Compensated Absences)

☐ Yes

☐ No

Conflicts of Interest

☐ Yes

☐ No

Document Retention and Destruction

☐ Yes

☐ No

Purchasing/Procurement

☐ Yes

☐ No

Capitalization/Depreciation

☐ Yes

☐ No

Appendix A

21. Describe the internal project oversight structure, including who is involved in managing the project, and how project-related decisions are made and approved.

Description:

22. Describe how subaward records are maintained and stored. Please plan for a file inspection during future site visit(s).

Description:

23. Describe the process for approving, tracking, receiving, and verifying invoices/receipts for goods and services. Include the process for program staff to review spending on the federal award for allowability of costs.

Description:

Appendix A

24. Are employee costs including wages and fringe benefits supported by personnel activity reports, time and effort reports, electronic timecards, paper timecards?

25. Please explain what documentation is kept supporting employee time below.

26. Does this documentation demonstrate how time was allocated amongst programs and/or federal grants? Are these reports reviewed and approved by a person knowledgeable of the employee's efforts of time?

Timesheet Explanation (24, 25,26):

27. Does Subrecipient use a fringe benefit rate to calculate fringe costs? If yes, please provide a fringe rate breakdown by component along with appropriate documentation (i.e. Invoices, Cost Allocation Worksheets).

☐ Yes

☐ No

28. If the answer to Question 27 is Yes, is this fringe rate federally approved? If yes, please provide federal agreement.

☐ Yes

☐ No

29. How do new and currently existing staff members receive training on the fiscal/programmatic requirements and restrictions for grant management of Federal awards?

Explanation:

30. Does an individual familiar with the federal grant activities (in addition to the finance person) review and approve all invoices prior to disbursement, and is this review evidenced by a signature or other written form of evidence

☐ Yes

☐ No

Appendix A

31. Attachments: Please attach the following or check N/A if not applicable.			
	<u>Document</u>	<u>Attached</u>	<u>N/A</u>
a.	IRS Determination Letter (granting income tax exemption under IRC § 501(c)(3))	☐	☐
b.	Copies of audited financial statements received for fiscal years' ending in <u>2023 & 2024</u> from Subrecipient's independent auditors (including all reports associated with a Single Audit pursuant to 2 C.F.R. Part 200, Subpart F)	☐	☐
c.	Copies of results from audits, examinations, or monitoring procedures performed for fiscal years' ending in <u>2023 & 2024</u> on any direct or indirect federal award received by Subrecipient	☐	☐
d.	Negotiated indirect cost rate agreement	☐	☐
e.	List of all subawards to Subrecipient from federal government for fiscal years' ending in <u>2023 & 2024</u>	☐	☐
f.	List of all subawards to conduct programs similar to those covered under this proposed subaward agreement to Subrecipient from any funder for fiscal years' ending in <u>2023 & 2024</u>	☐	☐
g.	Travel Reimbursement Policy	☐	☐
h.	Accounting manual and/or fiscal management policy	☐	☐
i.	Procurement Policy Manual	☐	☐
j.	Breakdown of Fringe Benefit Rate and appropriate backup documentation to demonstrate how each component was calculated	☐	☐
k.	Fringe rate agreement	☐	☐

Appendix A

By its authorized signatory below, Subrecipient hereby certifies and attests to the accuracy of the above responses and all corresponding information attached.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Category	Lower Risk	Medium Risk	High Risk
Accounting/Procurement Systems	☐ Robust controls, confirmed by Single Audit	☐ Systems/personnel less qualified to handle large dollar amounts or federal funds	☐ Numerous findings that are relevant to the subaward and/or systematic issues
Negotiated Indirect Rate and Letter on File (Attach Documentation)	☐ Yes (or charges de minimis)		☐ No
Independent Single Audit	☐ Annual Single Audit	☐ Annual third-party audit	☐ No annual financial audit
Audit Results (If applicable)	☐ No findings or issues that are relevant to the subaward	☐ Manageable findings or issues that are relevant to the subaward	☐ Numerous findings that are relevant to the subaward and/or systematic issues
In last 12 months, subrecipient has <u>not</u> implemented new or substantially changed systems related to federal grants management	☐ Yes, <u>no new</u> changes to grant management system	☐ Minor changes to grant management systems	☐ No, subrecipient <u>has</u> implemented many changes to grant management systems
Staff Turnaround	☐ Subrecipient has not had to deal with significant staff turnaround, all new staff have been successfully transitioned and are aware of all financial responsibilities and requirements	☐ Subrecipient has had some staff turn-around and new staff have some knowledge of financial requirements and responsibilities but could use additional training	☐ Significant staff turnaround without fully training new staff on financial requirements and responsibilities
Budget for Grant	☐ Approved	☐ Waiting for Modification	☐ Have not Received
Time Keeping System- Are time sheets reviewed and approved? Notes:	☐ Timesheet or Time and Effort Sheets categorized out per project		☐ Timesheet but time is not allocated amongst other grants

Fringe Rate (Attach Documentation)	☐ Federally negotiated rate, or percentage breakdown with backup documentation and cost allocation chart	☐ Charge for actual costs and fringe rate changes month to month	
Internal project oversight structure, division of powers and approval process	☐ Strong internal oversight structure with streamlined and timely spending approval process	☐ Strong internal oversight structure but room for improvement	☐ Project oversight is unorganized
Reimbursement process includes a streamlined system for tracking, receiving, and justifying all costs (with backup documentation and written explanation when necessary)	☐ Yes	☐ Yes but could use improvement	☐ No
Matching funds are required as part of Federal grant & SubR Agreement	☐ Strong controls; accounting system provides separate tracking & reporting, documentation verifies source, management oversight provided		☐ Any of these exist: Match requirement is significant, Multiple funding sources, tracking & monitoring system not in place, records & documentation do not substantiation
<i>Results From Previous Reimbursement Desk Reviews</i>			
Reimbursement One-Month/Year:	☐ Less than 5% margin of error without any major documentation issues	☐ Less than 5% margin of error with some documentation issues requiring communication with site	☐ Over 5% margin of error
Reimbursement Two-Month/Year:	☐ Less than 5% margin of error without any major documentation issues	☐ Less than 5% margin of error with some documentation issues	☐ Over 5% margin of error

		requiring communication with site	
Reimbursement Three-Month/Year:	☐ Less than 5% margin of error without any major documentation issues	☐ Less than 5% margin of error with some documentation issues requiring communication with site	☐ Over 5% margin of error
<i>Results from Previous On-Site Audit</i>			
On-Site Review Date Conducted: Site Visitor:	☐ No significant concerns noted during on-site review	☐ Some concerns noted during on-site review, corrective action plan created and all issues have been resolved	☐ Significant concerns noted during on-site review, corrective action plan created but not all issues have been resolved

Risk Level Assigned: _____

Additional Information:

Appendix D

SUBRECIPIENT MONITORING PLANS – LOW RISK SUBRECIPEINTS

Project Director Responsibilities

- ❑ Monthly communication with subrecipient regarding progress of project. Ensure that the deliverables are in accordance with the approved scope of work.
- ❑ Maintain records of progress monitoring, including review and approval of performance/progress reports.
- ❑ Monthly review and approval of expenditures allowed under the terms and conditions of the prime award and subaward. Ensure proper documentation is included with the invoice.
- ❑ In coordination with the Director of Administration, communicate with Subrecipient regarding issues related to non-compliance with the terms of the subaward, including invoicing and reporting.
- ❑ If necessary, and in coordination with the Director of Administration, ensure Corrective Action Plan is developed, implemented, and monitored.

Director of Administration Responsibilities

- ❑ Ensure that an appropriate system generated financial report is included with each invoice. The financial report should include transactional and payroll records.
- ❑ Provide all copies of transactions and/or payroll records to ensure costs incurred by the subrecipient are reasonable and allowable.
- ❑ Ensure timely completion of the following required verification activities:
 - Reimbursement request desk review – two times per year
 - Random compliance policy spot check – one per year
 - On-site monitoring review – once per year
 - Single Audit inspection & review of audited financial statements – as soon as possible following the issuance of audit reports.
- ❑ Maintain up-to-date and complete file of subaward monitoring activities, related documentation, and correspondence for audit purposes.

- ❑ Review accuracy of invoice to ensure payment is within the subaward terms and conditions AND period of performance.
- ❑ Ensure that Invoice certification is included on all invoices, and financial reports. The certification must also be signed by an “authorized official who is authorized to legally bind the Subrecipient”.
- ❑ Review financial reports, supporting invoices, and request supporting receipts for questioned costs from the subrecipient.
- ❑ Ensure the Project Director has reviewed and approved expenditures of the invoice and has completed and signed the Subaward Payment Authorization form (Appendix E).
- ❑ Review monthly financial reports – this should be a summary, by cost categories, of expenses for the subaward during the current grant year, as well as a cumulative total for the subaward. (Reporting form supplied to subrecipient)
- ❑ Review final financial report – this should include a final invoice and summary, by cost categories, of the total expenses for the ENTIRE Subaward, as well as a cumulative total.
- ❑ Maintain invoice supporting documentation, and any financial reports, including annual and final reports, for at least three (3) years after the final closeout of the prime award.
- ❑ In coordination with the Project Director, communicate with Subrecipient regarding issues related to non-compliance with the terms of the subaward, including invoicing and reporting.
- ❑ If necessary, and in coordination with the Project Director, ensure Corrective Action Plan is developed, implemented, and monitored.

Appendix D

SUBRECIPIENT MONITORING PLANS – MEDIUM RISK SUBRECIPEINTS

Project Director Responsibilities

- ❑ Regular communication with subrecipient regarding progress of project. Ensure that the deliverables are in accordance with the approved scope of work.
- ❑ Consider site visit to the subrecipient's physical location.
- ❑ Maintain records of progress monitoring, including review and approval of performance/progress reports.
- ❑ Monthly review and approval of expenditures allowed under the terms and conditions of the prime award and subaward. Ensure proper documentation is included with the invoice.
- ❑ In coordination with the Director of Administration, communicate with Subrecipient regarding issues related to non-compliance with the terms of the subaward, including invoicing and reporting.
- ❑ If necessary, and in coordination with the Director of Administration, ensure Corrective Action Plan is developed, implemented, and monitored.
- ❑ In coordination with the Director of Administration, provide targeted technical assistance sessions.

Director of Administration Responsibilities

- ❑ Ensure that an appropriate system generated financial report is included with each invoice. The financial report should include transactional and payroll records.
- ❑ Ensure that additional documentation to include vendor invoices and receipts are attached to the bi-monthly reimbursement request.
- ❑ Conduct a periodic sampling review of transactions and/or payroll records to ensure costs incurred by the subrecipient are reasonable and allowable.
- ❑ Ensure timely completion of the following required verification activities:

- Reimbursement request desk review – three to four times per year
 - Random compliance policy spot check – one to two times per year
 - On-site monitoring review – once per year
 - Single Audit inspection & review of audited financial statements – as soon as possible following the issuance of audit reports
- Maintain up-to-date and complete file of subaward monitoring activities, related documentation and correspondence for audit purposes.
- Review accuracy of invoice to ensure payment is within the subaward terms and conditions AND period of performance.
- Ensure that Invoice certification is included on all invoices, annual, and final financial reports. The certification must also be signed by an “authorized official who is authorized to legally bind the Subrecipient”.
- Review financial reports supporting invoices and request supporting receipts for questioned costs from the subrecipient.
- Ensure the Project Director has reviewed and approved expenditures of the invoice and has completed and signed the Subaward Payment Authorization form (Appendix E).
- Review monthly financial reports – this should be a summary, by cost categories, of expenses for the subaward during the current grant year, as well as a cumulative total for the subaward. (Reporting form supplied to subrecipient)
- Review final financial report – this should include a final invoice and summary, by cost categories, of the total expenses for the ENTIRE Subaward, as well as a cumulative total.
- Maintain invoice supporting documentation, and any financial reports, including annual and final reports, for at least three (3) years after the final closeout of the prime award.
- In coordination with the Project Director, communicate with Subrecipient regarding issues related to non-compliance with the terms of the subaward, including invoicing and reporting.
- If necessary, and in coordination with the Project Director, ensure Corrective Action Plan is developed, implemented, and monitored.
- In coordination with the Director of Administration, provide targeted technical assistance sessions.

Appendix D

SUBRECIPIENT MONITORING PLANS – HIGH RISK SUBRECIPEINTS

Project Director Responsibilities

- Monthly communication with subrecipient regarding progress of project. Ensure that the deliverables are in accordance with the approved scope of work.
- Schedule regular site visits to the subrecipient's physical location throughout the life of the subaward.
- Maintain records of progress monitoring, including review and approval of performance/progress reports.
- Monthly review and approval of expenditures allowed under the terms and conditions of the prime award and subaward. Ensure proper documentation is included with the invoice.
- In coordination with the Director of Administration, communicate with Subrecipient regarding issues related to non-compliance with the terms of the subaward, including invoicing and reporting.
- If necessary, and in coordination with the Director of Administration, ensure Corrective Action Plan is developed, implemented, and monitored.
 - If subrecipient falls behind and/or approved budget costs dramatically change, in coordination with Director of Administration, initiate a targeted technical assistance action plan.

Director of Administration Responsibilities

- Ensure that an appropriate system generated financial report is included with each invoice. The financial report should include transactional and payroll records.
- Ensure that additional documentation to include vendor invoices and receipts are attached to the monthly reimbursement request.
- Conduct a monthly review of transactions and/or payroll records to ensure costs incurred by the subrecipient are reasonable and allowable.

- Ensure timely completion of the following required verification activities:
 - Reimbursement request desk review – monthly until risk level decreases
 - Random compliance policy spot check – bi-monthly until risk level decreases
 - On-site monitoring review – one to two times a year
 - Single Audit inspection & review of audited financial statements – as soon as possible following the issuance of audit reports
- Maintain up-to-date and complete file of subaward monitoring activities, related documentation and correspondence for audit purposes.
- Review accuracy of invoice to ensure payment is within the subaward terms and conditions AND period of performance.
- Ensure that Invoice certification is included on all invoices, annual, and final financial reports. The certification must also be signed by an “authorized official who is authorized to legally bind the Subrecipient”.
- Review financial reports supporting invoices and request supporting receipts for questioned costs from the subrecipient.
- Ensure the Project Director has reviewed and approved expenditures of the invoice and has completed and signed the Subaward Payment Authorization form (Appendix E).
- Review monthly financial reports – this should be a summary, by cost categories, of expenses for the subaward during the current grant year, as well as a cumulative total for the subaward. (Reporting form supplied to subrecipient)
- Review final financial report – this should include a final invoice and summary, by cost categories, of the total expenses for the ENTIRE Subaward, as well as a cumulative total.
- Maintain invoice supporting documentation, and any financial reports, including annual and final reports, for at least three (3) years after the final closeout of the prime award.
- In coordination with the Project Director, communicate with Subrecipient regarding issues related to non-compliance with the terms of the subaward, including invoicing and reporting.
- If necessary, and in coordination with the Project Director, ensure Corrective Action Plan is developed, implemented, and monitored.

- If subrecipient falls behind and/or approved budget costs dramatically change, in coordination with Project Director, initiate a targeted technical assistance action plan.

Appendix D

SUBRECIPIENT MONITORING PLANS – FEDERAL COST SHARING OR MATCHING COMPLIANCE

Project Director Responsibilities

- Ensure all Subrecipient agreements:
 - Communicate Matching requirements provided for under the Uniform Guidance
 - Include up-to-date Matching levels & respective budget. If match commitment is required within your award, it must be met with each reimbursement request submitted.

- Review and approval of Subrecipient Matching reports and documentation to ensure that the funding source has been verified and expenditures are allowable under the terms and conditions of the prime award and subaward will occur in alignment with a Subrecipient's assessed level of risk as follows:
 - Low Risk – Quarterly
 - Medium Risk – Bi-monthly
 - High Risk – Monthly

- Maintain records of progress monitoring, including review and approval of performance/progress/Matching reports.

- Communicate to all Subrecipients the Uniform Guidance's rules surrounding Match to include:
 - Adequate record keeping (Cash & In-kind) for verification:
 - Recording in accounting system
 - Tracking by funding source & program activity
 - Documentation to substantiate the Match is:
 - Allowable
 - Reasonable
 - Allocable
 - Consistently Applied
 - Exceptions to rules governing restrictions for use of Federal funds as Match.

- In coordination with the Director of Administration, communicate with Subrecipient regarding issues related to non-compliance with the Matching terms conditions of the subaward.

- If necessary, and in coordination with the Director of Administration, ensure Corrective Action Plan is developed, implemented, and monitored.

Director of Administration Responsibilities

- Ensure that an appropriate system generated financial report is included with each Subrecipient Matching report. The financial report should include transactional and payroll records.
- Ensure that additional documentation to include vendor invoices and receipts are attached to the Matching report.
- Conduct a review of transactions and/or payroll records to ensure Matching costs incurred by the subrecipient are reasonable and allowable.
- Maintain up-to-date and complete file of subaward Match verification, documentation, and correspondence for audit purposes.
- Maintain a tracking system for all documented subrecipient Matching funds to include source and approved budget.
- Review accuracy of Matching reports to ensure documented Match is within the subaward terms and conditions AND period of performance.
- Ensure that a Match certification is included on all monthly, annual, and final financial reports. The certification must also be signed by an “authorized official who is authorized to legally bind the Subrecipient”.
- Ensure the Project Director has reviewed and approved Subrecipient Matching reports.
- Review final Match financial report – this should include a final Match summary, by cost categories, of the total expenses for the ENTIRE Subaward, as well as a cumulative total.
- Maintain Match supporting documentation, and any financial reports, including annual and final reports, for at least three (3) years after the final closeout of the prime award.
- In coordination with the Project Director, communicate with Subrecipient regarding issues related to non-compliance with the Matching terms conditions of the subaward.

- If necessary, and in coordination with the Project Director, ensure Corrective Action Plan is developed, implemented, and monitored.



Southeast Conference Reporting guidelines

SEC is funded by the Alaska Mariculture Cluster (AMC) grant from the US EDA. As the prime grantee under the Economic Adjustment Assistance program SEC must ensure that all activities, related spending, and matching support are compliant with federal guidelines. These guidelines are commonly referred to as the “Uniform Guidance” and are codified under CFR 2 part 200.

The reporting guidelines outlined in this document support and facilitate our compliance with the Uniform Guidance and ensure that SEC can accurately share the story of the AMC success, as well as reports to the US EDA. Each subrecipient may also have a more specific monitoring plan tailored to their organization.

Monthly Reimbursement Requests are due the 15th day after the prior month ends:

(1/15,2/15,3/15,4/15,5/15,6/15,7/15,8/15,9/15,10/15,11/15,12/15)

Quarterly Reimbursement Requests are due the 15th day of the month following the end of the quarter:

(4/15, 7/15, 10/15, 1/15)

- SEC will provide reimbursement for allowable costs permitted under each subrecipient’s agreement and consistent with their EDA approved budget and work plan. Reimbursement will be made for eligible expenses actually incurred and paid by the subrecipient.
- A reimbursement request template and (example invoice) provided by SEC, along with bills, timesheets, and all other necessary documents to justify the payment must be submitted to SEC before the payment can be processed. Note reimbursement expenses must be accompanied by an explanation and expense report for directly related expenses to their specific project only and cannot be generalized among other projects not related to their specific project. All documentation must be provided in an organized manner for the payment to be processed.
(Note each workbook must have a summary of project work completed monthly)
- Match must be reported monthly with each reimbursement request. If you as the subrecipient are required to match commitment you must provide all necessary documentation and explanation of the source of the matching funds

- All budget revisions must be submitted prior to the expenses being made, if expenses are incurred other the allotted budget amount prior to approval you will be personally responsible for those expenses in the event the budget amendment is not approved.
- Reimbursement requests and financial related questions will be sent to BBBfinance@seconference.org
- SEC staff is available to assist you if there are questions you may have and can setup additional meetings to walk you through the steps.
- Notification to the subrecipient by SEC of reimbursement deficiencies and errors (including failure to provide timely reimbursements) will trigger a 30-day timeline by which deficiencies must be cured. *Failure to cure and resubmit complete reimbursement packets after the 30-day grace period are subject to a 5% administrative fee to cover additional SEC costs.* Hardship waivers can be issued for cause.
- Allowable expenses:
 - Only the costs outlined within your approved budget categories and in support of your individual approved scope of work.
 - Food expenses are generally only allowed to support a working meeting, or travel related unless otherwise specified in your budget narrative. *Alcohol is not a permitted cost under federal funding.

Quarterly Progress Reports Due the 15th day after the reporting period ends:
4/15, 7/15, 10/15, 1/15

- Each subrecipient has a reporting template that mirrors their work plan. Quantitative data such as programs, participation numbers, are needed during reporting periods for grant progress reporting to the US EDA.
- Monthly, subrecipients will be required to meet with a SEC representative to discuss progress made that month. (Note each budget workbook must have a summary of project work completed monthly)
- In the quarterly reports please provide a brief narrative what do the numbers mean, challenges, successes, any committee work, new alignment, or success stories.
- Send quarterly reports to Juliana@seconference.org

SEC and subrecipient partners receiving Federal funding from the US EDA under the AMC grant award must comply with the applicable provisions in 2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirements for Federal Awards ("Uniform Guidance"). To ensure compliance with the Uniform Guidance, SEC must monitor the performance of the subrecipients as necessary and in accordance with Federal regulations on subrecipient monitoring and management, 2 CFR 200.330-2 DFR 200.33