

MINI TOOLKIT FOR SUBRECIPIENT MONITORING

This Mini Toolkit for Subrecipient Monitoring provides high-level guidance on how Office for Victims of Crime (OVC) grant recipients must monitor subrecipients identified in the awarded grant proposal.

Overview

As the direct receiver of federal funds, the award recipient is responsible for ensuring all funds are being used for the authorized purpose in compliance with the award requirements, laws, and regulations as established in Title 2 C.F.R. § 200, and that performance goals are achieved.



Terminology

- **Prime recipient** – a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program (2 CFR 200.74).
- **Subaward** – an award provided by a prime recipient to a subrecipient, for the subrecipient to carry out part of a federal award received by the pass-through entity (2 CFR 200.92).
- **Subrecipient** – a non-federal entity that receives a subaward from a prime recipient to carry out part of a federal program (2 CFR 200.93).

Responsibility

The prime recipient is ultimately responsible for the subrecipient's performance and compliance with federal regulations and requirements. As a result, the prime recipient must monitor the activities of the subrecipient.

A prime recipient must establish written policies and procedures for subrecipient monitoring, as described in 2 CFR Part 200.331. A prime recipient must also conduct a risk assessment of each subrecipient - to determine the type, scope, and frequency of monitoring needed.

Developing an active relationship with subrecipients improves an entity's ability to effectively monitor their activities and use of funds, ensuring proper stewardship and fulfilling their oversight responsibilities. Most importantly, subrecipient monitoring ensures that all fiscal and programmatic requirements are fulfilled in accordance with the terms and conditions of the subaward agreement.

When monitoring subrecipients, prime recipients should ensure financial systems meet guidance in 2 CFR § 200.302 including—

1. Identification of federal award and source of funding.
2. Accurate, current, and complete disclosure of financial results for each federal award.
3. Records that identify the source and application of all federal funds by award that is supported by adequate documentation.
4. Adequate safeguarding of assets.
5. Comparison of expenditures to approved budget amounts.

Note: Depending on the awarded grant proposal, some subrecipients may contribute to the OVC federal match requirement and need to document match contributions.

OJP Oversight

The Office of the Chief Financial Officer (OCFO) provides fiscal policy guidance as well as accounting, budget, financial, and grants management. OCFO's five divisions assess grantee and OJP financial management policies, procedures, and practices, and contribute to overall financial integrity and the achievement of OJP-wide goals and objectives.

During OCFO monitoring and audits, the three most common deficiencies found with subrecipient monitoring are inadequate policies and procedures, inaccurate and/or late financial or performance reports, and unallowable expenditures.

Procedures for Monitoring a Subrecipient

- Develop and implement written procedures to monitor subrecipients.
- Complete a risk assessment to inform a subrecipient monitoring plan.
- Ensure subawards in the approved budget are authorized by OVC.
- Establish a subaward with the subrecipient once budget is approved.
- Comply with the Federal Funding Accountability and Transparency Act reporting requirements, as applicable.

Do's and Don'ts for Subrecipient Monitoring

DO NOT

- Assume a subrecipient knows how to manage federal funds properly.
- Wait for a subrecipient to contact the recipient organization once an issue arises.
- Rely on verbal reporting only.

DO

- Follow the [DOJ Best Practices](#) guidelines.
- Maintain adequate subaward documentation including the subrecipient award agreement, established written policies and procedures on subrecipient monitoring, subrecipient audit findings, and the resolution of such findings.
- Become familiar with key post-award requirements, including general [award special conditions](#), [federal match requirements](#), and [grant reporting](#).
- Examine previous subrecipient activity and audits, whether under the same or similar subawards.
- Require subrecipients to submit monthly or quarterly financial and performance reports.
- Review financial documentation from subrecipient including timesheets, invoices, payroll ledgers, and other budgeted expenses.
- Communicate regularly with subrecipients.
- Inquire about program activities.
- Perform subrecipient site visits, at least annually.
- Examine programmatic records.

- Observe activities.
- Set deadlines—and conduct follow up—for resolving corrective actions; include termination of contract if corrective actions and deadlines are not met.
- Monitor corrective actions taken to address program or performance deficiencies found through audits, onsite reviews, and other means.

Additional Resources

[OJP Resource Guide – Application Review](#)

[OCFO Sample Subrecipient Monitoring Checklist](#)

[OCFO Sample Subrecipient Monitoring Risk Assessment Tool](#)

[DOJ Grants Financial Guide](#)

[Federal Funding Accountability and Transparency Act Subaward Reporting System](#)

[Subawards and Procurement Contracts Under OJP Awards](#)

[Checklist to Determine Subrecipient or Contractor Classification](#)

[Ask an Expert: Meeting the Federal Match Requirement](#)