



What to Expect as a  
Subrecipient of the SD  
Dept of Health

# What is a Subrecipient



- A **subrecipient** is a non-federal entity that receives a federal subaward from a pass-through entity to carry out part of a federal program.
- A **subrecipient** may also be a recipient of other federal awards directly from a federal awarding agency.

# Federal and State Requirements



- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR Chapter I, and Chapter II, Parts 200, 215, 220, 225, and 230 provides uniform requirements for all federal awards and pass-through awards including subrecipient agreements. This is typically referred to as the Uniform Guidance.
- The terms and conditions of the subrecipient agreement contain the state and federal award requirements that the subrecipient must adhere to.
- Each agreement lists the links to the federal guidance which governs the award. By accepting this award, all parties agree to follow these regulations.

# Financial System Requirements



- 200.302 of the Uniform Guidance
  - Create an accounting record for each federal award received.
  - The accounting record must reflect the expenditures and revenues for each federal assistance listing number (ALN) it receives.
  - Maintain records that identify the source and expenditure of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

# Records to maintain

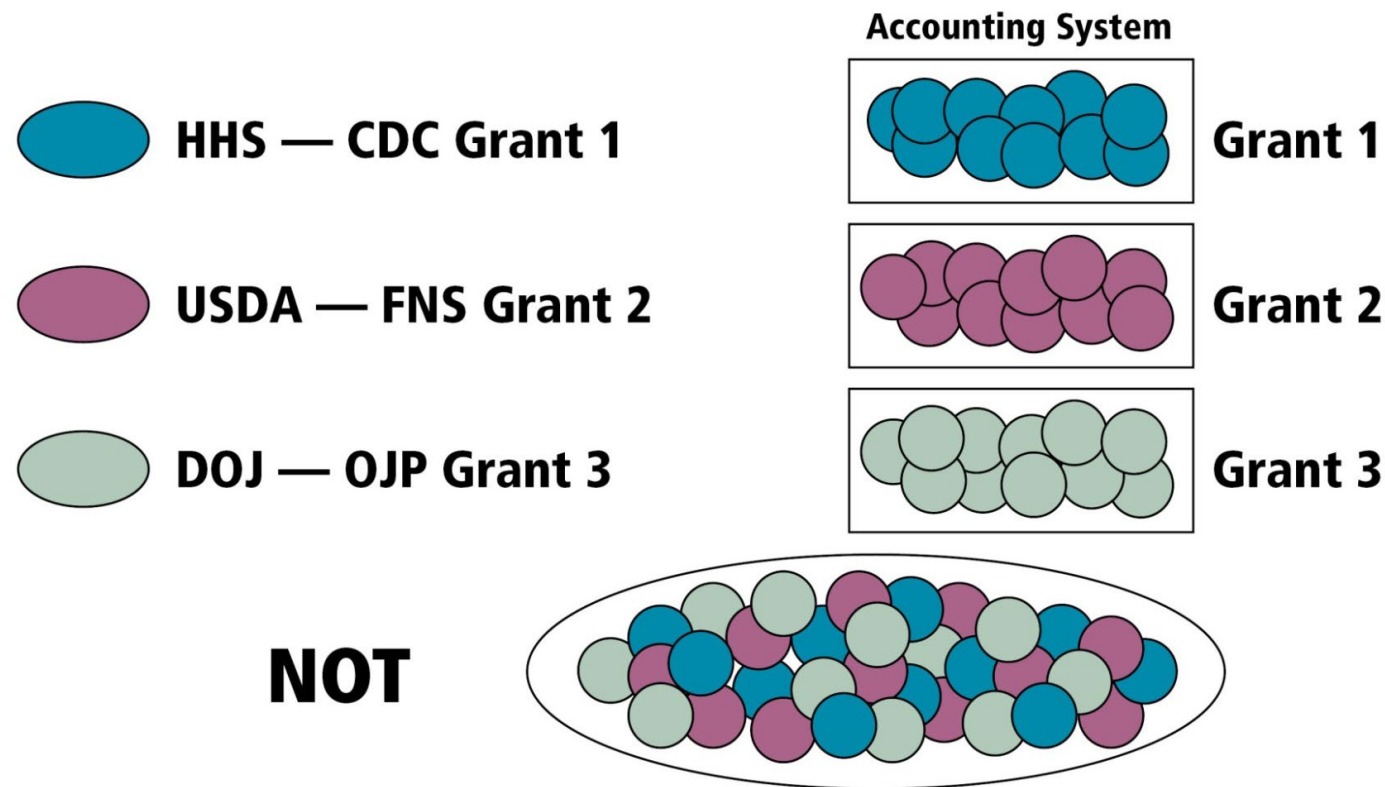


- Source documentation provides back up for **all revenue and expenditures** charged to the federal award **including time and effort reports** for staff paid by the award.
- Documentation of bids, quotes, purchasing agreements and purchase orders to support the subrecipients purchasing policy.
- All completed financial or programmatic reports.
- Copies of leases, any third-party agreements or service contracts.
- All records, associated with this award, must be kept for a **minimum** of 3 years from close out date of the award or final audit resolution.

# Financial system requirements



## Segregation of Funds



- Create separate accounting records for each award or project.
- Do **NOT** combine federal funds with other federal grants or sources of funding.

# Documenting payroll costs



- If the subrecipient is approved to charge payroll costs and staff time to the agreement, verify proper tracking of staff time and effort for the federal award is created by the subrecipient's finance office.
- Must have a written Time & Effort Policy
- requirements for timecards
  - maintained for each employee who works on the federal award.
  - accurately reflect the actual hours worked and account for all the time an employee works on all projects.
  - contains employee's and managerial authorization/signed approval.
  - Electronic timesheets are allowed when an entity has an established written policy recorded by the electronic timekeeping system

# Sample employee time sheet



ABC Non-profit  
 1254 United Blvd  
 Pierre, SD 57501  
 Telephone 605.223.1234

Employee Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 Department \_\_\_\_\_

Project Name \_\_\_\_\_  
 Pay Period \_\_\_\_\_  
 Supervisor \_\_\_\_\_

## Bi-Weekly Timesheet

Day Date	Sun 3.7.21	Mon 3.8.21	Tue 3.9.21	Wed 3.10.21	Thu 3.11.21	Fri 3.12.21	Sat 3.13.21	Sun 3.14.21	Mon 3.15.21	Tue 3.16.21	Wed 3.17.21	Thu 3.18.21	Fri 3.19.21	Sat 3.20.21	Total Hours
<b>Task or Grant Project</b>															
After School Program		5	4.75	4.5		2			4	8	7	8	8		<b>51.25</b>
Fundraising				2							1				<b>3</b>
Headstart Program		3				6			4						<b>13</b>
Annual Leave			3.25		8										<b>11.25</b>
Sick Leave															<b>0</b>
Holiday															<b>0</b>
Leave: Other															<b>0</b>
<b>TOTALS</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>6.5</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>78.5</b>

*By signing below, I hereby attest that the time recorded on this time sheet is true and accurate to the best of my knowledge.*

\_\_\_\_\_  
 Employee Signature

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Supervisor Signature

\_\_\_\_\_  
 Date



# Invoices submitted for reimbursement



**Invoices submitted for reimbursement must be based on actual, allowable, and reasonable costs and contain the following elements;**

- Invoice date
- Invoice amount to be reimbursed
- List the DOH assigned subrecipient agreement number
- List the period covered by the invoice
- Invoice must be auditable, clear, and detailed per the scope of work in the agreement
- Must contain the subrecipient's authorized representative signature with the following attestation verbiage, "I certify that this request represents actual, allowable costs incurred during the invoice period and these costs are appropriate in accordance with the subrecipient agreement."

# Example of sample invoice



## Invoice

Subrecipient Name \_\_\_\_\_ Invoice Date \_\_\_\_\_  
Subrecipient Address \_\_\_\_\_ Invoice Number \_\_\_\_\_  
Subrecipient City, State, Zip+4 \_\_\_\_\_

**Subrecipient Agreement Number** 21SC09XXX

Period covered by this Invoice \_\_\_\_\_

### Total Expenses by Category

Salaries	\$	-
Fringe Benefits	\$	-
Supplies	\$	-
Travel	\$	-
Other (please explain)	\$	-
Total Direct Expenses	\$	-

Indirect Cost: \$ -

Total Expenses for billing period \$ -

**Amount to be reimbursed by DOH** \$ -

*I certify that this request represent actual, allowable costs incurred during the invoice period and these costs are appropriate in accordance with the above mentioned subrecipient agreement.*

\_\_\_\_\_  
Signature of Authorized Official

For questions on this invoice, please contact: \_\_\_\_\_  
Subrecipient contact info

# Subcontracting



- The subrecipient must ask and receive **written approval** from DOH prior to entering into any agreement with a third-party using the funds paid by DOH on this agreement.
- The entity must perform an analysis to determine if the relationship with the third-party will be that of a contractor or a subrecipient.
- If the agreement with the approved entity is a subrecipient agreement, then certain information is required to be in the agreement and additional actions are required by the entity.

# Subrecipient monitoring requirements



## 18. SUBCONTRACTORS/SUB-SUB-RECIPIENTS:

The Sub-Recipient will not use subcontractors or other sub-recipients to perform work under this Agreement without the express prior written consent from the State. The State reserves the right to complete a risk assessment on any proposed sub-contractor or sub-recipient and to reject any person or entity presenting insufficient skills or inappropriate behavior.

The Sub-Recipient will include provisions in its subcontracts or sub-grants requiring its subcontractors and sub-recipients to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Sub-Recipient will cause its subcontractors, sub-recipients, agents, and employees to comply with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance. The State, at its option, may require the vetting of any subcontractors and sub-recipients. The Sub-Recipient is required to assist in this process as needed.

## 19. STATE'S RIGHT TO REJECT

- The entity should only accept funds for activities it can carry out for the scope of the federal funds awarded.
- When a subrecipient accepts federal funds for a project and it is unable to perform all the activities and awards those funds to another subrecipient, monitoring that subrecipient is required.

# Sub of a Sub requirements



- **Prior to completing the agreement, the subrecipient will need to follow Federal guidance for subrecipients which includes, but is not limited to:**
  - Complete a risk assessment of the entity
  - Make sure the entity has a "**Conflict of Interest Policy**"
  - Verify the entity's UEI and certify the entity is not listed on the Suspension and Debarment Federal website
  - Have policies, procedures, and forms in place for monitoring to make sure the entity follows federal requirements
  - Have a procedure to close out the award at the end of the period of performance prior to the end of the agreement with DOH to allow time for reporting
  - Reference all federal guidance found in the DOH subrecipient agreement to ensure the third-party monitoring and federal requirements are met
- **Why is this important?**
  - Federal granting agencies are focused on ensuring that grantees are acting in accordance with the requirements. Comprehensive policies, procedures, and monitoring tools must be in place to ensure that terms and conditions are met by the subrecipient to reduce the risk of noncompliance with federal requirements.
  - When subrecipients are also pass-through agencies, they must be prepared to evaluate their subrecipient's compliance with subawards, monitor the activities, impose specific conditions as necessary, ensure required audits are completed, and take enforcement action when and if necessary.

# SD DOH review and requirements



- Department of Health (DOH) validates the provided Unique Entity Identifier (UEI) on the federal website [Sam.gov](https://sam.gov) for suspension and debarment.
- DOH reports subawards (over \$30,000) within 30 days of signing the agreement as required by [Federal Funding Accountability and Transparency Act](#) (FFATA).
- Awards can be found on [USAspending.gov](https://USAspending.gov).
- DOH performs monitoring of subrecipients as needed by performing ongoing monitoring, desk reviews, and onsite reviews.

# Things DOH will review in monitoring



1. **Policies and procedures**
  - Documented and adequate Internal Controls
  - Security of Data
  - Procurement – Equipment Management and Fixed Asset Inventory
  - Subrecipients
2. **Reporting**
  - Accurate and Complete Financial and progress reports
  - Cash Management – Advance Draw Down – Interest Earned
  - Audit requirements are followed
3. **Cost are Allowable and properly supported with Source Documentation**
  - Allowable expenditures
  - Supporting documentation is maintained
  - Authorized/proper approvals on expenditures and obligations
  - Expenses are reasonable
4. **Documentation of Time and Effort**
  - Time and Effort Policy
  - Proper recording of Federal Funds
5. **Program Income**

Gross income – earned by a recipient, subrecipient, or a contractor under a grant – directly generated by the grant-supported activity.

  - Properly recorded
  - Sliding Fee applied appropriately
  - Appropriate use of program income

# Strengthen the partnership



- Work with your DOH contact to answer any questions that arise.
- Remember every federal award is different
  - **Review each agreement to know what is required of your entity**
- Make sure your finance office, accountants, and supervisors are aware of subrecipient funding and requirements.
- Ask questions! DOH is here to support subrecipients and provide any technical assistance necessary.





Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR Chapter I, and Chapter II, Parts 200, 215, 220, 225, and 230

<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>

Health & Human Services Grants Policy Statement

<https://www.hhs.gov/sites/default/files/hhs-grants-policy-statement-october-2024.pdf>

