

Subrecipient Monitoring and Management

Frequently Asked Questions (FAQs)

Q: What requirements are there to report subawards and executive compensation?

A: Under the Federal Funding Accountability and Transparency Act (FFATA), recipients of financial assistance awards of \$30,000 or more are required to report periodically on executive compensation and subawards, as described in the following term from [2 C.F.R. Part 170, Appendix A](#).

If a prime awardee issues a subaward equal to or greater than \$30,000, the awardee must file a FFATA subaward report by the end of the following month. Prime grant awardees are required to report subawards by utilizing the FFATA Subaward Reporting System (FSRS). The tool pre-populates, to the maximum extent possible, recipient information from existing Federal agency databases, such as the System for Award Management (SAM), to reduce the burden associated with this new FFATA reporting. For example, if a subaward greater than \$30,000 was made April 5, 2023, the prime awardee is required to report subaward information by the end of May utilizing the [FSRS website](#). This requirement is included in the [Department of Commerce \(DOC\) Financial Assistance Standard Terms and Conditions](#) section on Reporting Subawards and Executive Compensation. Please note the reporting amount increased from \$25,000 to \$30,000 to align to the Reporting Executive Compensation and First-Tier Subcontract Awards. For additional information, please visit the [FSRS website](#) and [FAQs](#).

Q: If we switch contractors or subrecipients, how do we report that? What happens if we need to switch after signing a contract?

A: If you're switching contractors, a change order must be provided terminating the contract with the current vendor, and documentation must be retained detailing the competitive procurement of the replacement vendor. If the replacement vendor submitted a bid on the original RFP, their proposal must be submitted along with the Notice to Proceed, contract, and bid evaluation metrics (as applicable). If you're switching subrecipients, notify the Grants Office that there will be a termination of the subrecipient award, and a new award will be issued for the replacement subrecipient. See Appendix H of [2 C.F.R. § 1138, Section D](#).

Recipients with NOAA as their Grants Office are required to submit a Subaward, Transfer, or Contract Out Work Award Action Request (AAR) if the contractor or subrecipient was previously identified in their approved application.

Q: If a tribe received the award, and a tribally-owned corporation is going to carry out the purpose of the grant and own the assets, does that make the corporation a subrecipient?

A: It depends on the nature of the relationship between the recipient tribe and the tribally-owned corporation. Recipient/Subrecipient relationships require a standard subaward with conditions detailed in [2 C.F.R. § 200.332](#). Owner/vendor relationships, such as those with contractors, require an in depth procurement procedure outlined in [2 C.F.R. § 200.317-327](#). You need to look at the relationship determination between the tribe and the tribally owned corporation and, based on the relationship, determine if they are a subrecipient or contractor. Please reach out to your FPO with any additional questions.

Q: Do we need a subaward agreement for subrecipients that were part of our proposal?

A: Yes, you must document the award with your subrecipient and get the necessary data from the subrecipient. According to [2 C.F.R. § 200.332](#), pass-through Entities must "...[e]nsure that

every subaward is clearly identified to the subrecipient as a subaward and includes certain information for the subrecipients outlined in [2 C.F.R. § 200.332\(1\)-\(6\)](#), such as, Federal award identification information, all requirements imposed by the pass-through entity on the subrecipient, and/or 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, as well as, appropriate terms and conditions concerning closeout of the subaward.”

Q: Can you define the differences in the roles of all the participants involved (for example, a recipient, a subrecipient, etc.)?

A: **Recipient:** Awarded entity or the pass-through entity.

Subrecipient: Receives a subaward from a pass-through entity to carry out part of a Federal program; they have some ability to determine the course of award.

Contractor: Can also be called a vendor. Participates in the award in the normal course of business; they provide goods and services and have a procurement relationship with the pass-through entity. For example, environmental consultants to help complete the Environmental Assessment requirements.

For further information and context regarding subrecipient and contractor determinations, please visit [2 C.F.R. § 200.331](#) and review the appendix of your recipient handbook.

Q: Are subcontractors subject to subrecipient monitoring and/or reporting?

A: Subcontractor agreements are generally negotiated directly with contractors that are authorized to do grant-funded work either by the subrecipient or the recipient directly. If the subcontractors are doing work for a contractor, and that entity has reporting requirements to the recipient imposed within the contract, then the contractor must obtain the information from the subcontractor. The recipient does not have an obligation to monitor the subcontractors, but the recipient’s monitoring requirements may have downstream impacts on subrecipients, contractors, and subcontractors. Recipients should cover all requirements to make sure their needs are met. Make sure the entities (subcontractor or subrecipient) that perform work for you have written requirements in their contract to meet the pass-through entity’s requirements.

Q: Are contracts for vendors over \$30,000 also required to be reported monthly?

A: No. This reporting requirement only refers to subrecipients, not vendors. However, if a prime recipient issues a subaward equal to or greater than \$30,000, the awardee must file a FFATA subaward report by the end of the following month.

Q: Are Recipients/Subrecipients required to notify NTIA about open bids?

A: Procurement requirements outlined in [2 C.F.R. § 200.317-327](#) must be followed. Documentation that confirms that these requirements, or local procurement requirements (when applicable), have been followed may need to be retained for closeout. Unless specifically told that NTIA needs to be notified, you do not need to inform NTIA, but documentation of the bid needs to be kept for the designated retention period defined by your grant.

For example, a recipient may currently be in an open bid to acquire computers and technology. If the computers and technology are being purchased using Federal grant funds, the recipient will not need to notify NTIA of the bid, but documentation of the bid should be retained to demonstrate that competitive procurement has been followed.

Q: If an award extends over more than a year, will subrecipients have to submit annual audits to the Federal Audit Clearinghouse? Will audits have to be award-specific, or do general audits suffice?

A: If the subrecipient expends \$750,000 during their fiscal year, they will be required to complete either a single or program specific audit, in accordance with [2 C.F.R. § 200.501\(a\)](#).

If the subrecipient elects to have a program specific audit instead of a single audit, they may do so if they only expended Federal funds under one Federal program, in accordance with [2 C.F.R. § 200.501\(b\)](#).

Please note that a subrecipient may have other relationships and roles in other Federal awards and be expending other Federal funds that would also contribute to their audit eligibility. [2 C.F.R. § 200.501\(f\)](#) states that “An auditee may simultaneously be a recipient, a subrecipient, and a contractor. Federal awards expended as a recipient or a subrecipient are subject to audit under this part. The payments received for goods or services provided as a contractor are not Federal awards. [Section § 200.331](#) sets forth the considerations in determining whether payments constitute a Federal award or a payment for goods or services provided as a contractor.”

Q: Can subrecipients hire personnel to execute the project?

A: Yes, but the recipient may require information such as payroll, fringe benefits, etc. for any personnel funded by Federal grant funds in order to verify that funds have been expended in allowable ways. As the recipient, you are responsible for ensuring whatever funds are used by any personnel have been expended in a way that is allowable. For awards with cost share, the cost share also applies.

Q: If an internet service provider (ISP) was listed as a co-applicant with a town on the Federal application, does that infer they are a subrecipient?

A: Please refer to [2 C.F.R. § 200.331](#) to determine your relationship with this entity and review who is a subrecipient or contractor. Your determination will be based on their role in the award and depend on the specific relationship. It may also be beneficial to review your application, as you may have already determined the relationship there.

Q: Can the pass-through entity include more terms and conditions if the subaward agreement has been endorsed and the prime is beginning to see areas of risk?

A: Yes. According to [2 C.F.R. § 200.332](#), recipients are allowed to impose additional requirements on a subrecipient if the subrecipient is at high risk. This can help you monitor the subrecipient correctly.

Q: Are subrecipients that receive funds via the Federal grant required to treat that as revenue/income? Is it subject to accounting/IRS rules?

A: Our webinar in May will cover Federal Interest and Program Income! We will add this question to our FAQ document to be distributed following this session to ensure we have the right answer for you.

Q: Is a subrecipient required to enforce procurement rules when bidding out contract work (i.e. construction contracts and material bids)?

A: Yes, the subrecipient is required to follow the rules of procurement outlined in [2 C.F.R. § 200](#).

Q: What if the subrecipient is a subsidiary of the prime awardee?

A: The subrecipient management requirements outlined in [2 C.F.R. § 200](#) still apply, including the monitoring requirements, financial management requirements, and performance reporting requirements. Additionally, the pre-award evaluation procedures outlined in [2 C.F.R. § 1138](#), including merit and risk reviews, must be applied objectively.

Q: How will we know if our subrecipient risk assessment is up to the Department of Commerce's standards?

A: Please review the standards listed in [2 C.F.R. § 200.206\(b\)](#). These are factors under consideration when Federal awarding agencies are evaluating risk of recipients and can be used as an effective baseline for assessing subrecipient risk.

Q: If we get into a legal dispute with our subrecipient, are we responsible for paying for the legal costs?

A: Though you may incur legal costs during the grant period of performance, you are not permitted to use Federal funds to cover legal costs. Federal funds cannot be used for purposes other than what is listed as allowable in the terms of the award, the Notice of Funding Opportunity, and the Uniform Guidance. The Uniform Guidance speaks clearly to what fees are allowable. If a legal dispute is not in your NOFO or the Uniform Guidance, then using Federal funds to pay for these costs is not permissible. Refer to [2 C.F.R. § 200](#) for legal dispute guidance.

Q: Do subrecipients initiate closeout of their subaward with the pass-through entity upon completion?

A: This would be determined by the terms of your agreement with the subrecipients. Typically, information should be submitted within 90 days of the end of the contract period to close out the subrecipient award. Please look at the original terms of your award and subrecipient agreements for more details and reach out to your FPO with additional questions.

Other Questions

Q: If a No-Cost Extension is approved, will grant recipients be notified?

A: The recipient will be notified by the Grants Office if their No-Cost Extension has been approved, rejected, or if additional information is needed to process the request. If approved, recipients will receive a CD-451 consisting of the effective date, the approved changes, and other information. An approval of a No-Cost Extension AAR will always result in an Award Amendment (CD-451). Please recall that No-Cost Extensions do not change the original award amount, do not permit recipients to perform activities that are not described in the approved project narrative, and may not be exercised merely to utilize unliquidated balances.

For NIST recipients, No-Cost Extension requests must be coordinated between the FPO and the recipient. The FPO provides an initial review and works with the recipient to revise the AAR submission as needed. Once recipients receive preliminary approval from their FPO, they submit the No-Cost Extension AAR via email to UGAM (UGAM@nist.gov), including correspondence related to the No-Cost Extension request and justification to support the request, with the following information in the subject line: Recipient name; NIST award number; AOR or Principal Investigator/Project Director; and Action being requested (e.g., No-Cost Extension).

For NOAA recipients, No-Cost extension requests must be coordinated with the FPO and the recipient. The FPO provides an initial review and works with the recipient to revise the AAR submission as needed. Once the recipients receive preliminary approval from their FPO, they submit the No-Cost Extension AAR via [Grants Online](#). For more information, please consult the [Grants Online Award Action Requests Guidelines](#).

Q: We are having Grants Online issues. What should we do?

If you are a NOAA award recipient and have issues related directly to your award, please contact your assigned FPO and Grant Specialist. If you encounter an issue with the Grants Online platform, please reach out to the GOL Help Desk at (240) 533-9533 or grantsonline.helpdesk@noaa.gov from 8:00 am to 6:00 pm EST on Monday, Tuesday, Thursday and Friday or 8:00 am to 9:00 pm EST on Wednesday. Please provide as much detail as possible, including the following as applicable: Award number, FFO number, or Application ID number. When leaving a voicemail, please do not follow-up with an email. When sending an email, please do not follow-up with a voicemail.