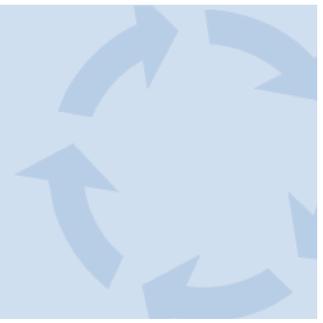# Tips for Managing Your Title II Award as a Passthrough Entity

Federal Award: General and Special Conditions

Recipients *and subrecipients* of Title II funding must comply with all award conditions and all applicable requirements of Federal statutes and regulations.

TIPS

- As you review the Federal standards and conditions, note which ones are also applicable to subgrants or contracts awarded by the DSA.

- Consider the following questions:

  - Do any conditions apply to all or certain subgrants (based on type of project or purchases to be made?)

  - What is the process of getting these requirements into the subgrant award or contracting agreements?

  - How will you monitor for compliance with these standards and conditions by the subgrantees/contractors?

DUNS Number and SAM

Subrecipients of Federal funds must have a Data Universal Numbering System (DUNS) number when applying for Federal awards and cooperative agreements (initial or supplemental awards) (2 C.F.R. Part 25 - Universal Identifier and System of Award Management).

Subrecipients must have registered their DUNS number in the System of Award Management (SAM): https://sam.gov/content/home to receive an award, and SAM registrations must be updated or renewed at least once per year to maintain an active status. This registration must be "active" in SAM for the entire period of the award.

TIPS

- Require DUNS numbers from agencies applying for subgrant funds. If they do not have one, require these agencies to immediately apply for one. Funds cannot be sub awarded without a DUNS number.

- Set up a system for checking DUNS annually for all subgrantees (subrecipients) for awards made for multiple years.

Suspension and Debarment

The state agency being awarded the state's Title II funds, as a passthrough entity, is required to check the Suspension and Debarment status of any contractor or subaward agency receiving a portion of its Title II award.

TIP

At the time of executing a subaward or contract using Federal funds, the SAM website must be checked to verify that the entity or agency has **not** been Debarred or Suspended. Verification of this process can include a screenshot print of the exclusions list. After the subaward/contract is awarded, the SAM website should be searched on an annual basis for the period of the subaward or contract.

Financial Management and System of Internal Controls

Title II subrecipients (subgrantees or subawardee) must comply with standards for financial and program management ("Part 200 Uniform Requirements").

TIPS

- Consider creating a similar or use the same Financial Management and System of Internal Controls Questionnaire required by OJP when state agencies apply for federal funding for potential subgrantees to submit with their Title II subgrant application.

- As part of its staff application review process, this type of questionnaire would allow the DSA to immediately recognize subgrantees that may require more assistance to correctly manage their subaward (if funded).

DSA Grant Management Policies and Procedures

It is important to develop, maintain, and adhere to internal comprehensive grant management policies and procedures.

TIPS

- Consider the following suggested content areas for DSA comprehensive grant management policies and procedures:

  – Internal administrative policies and procedures of the DSA

  – Grant accounting to include procedures for financial management

  – Cash management

  – Procurement

  – Travel

  – Inventory controls

  – Personnel/time and attendance

  – Sub-recipient monitoring

  – Sub-recipient award process

  – Conference costs

  – Performance measurement and tracking

- Consider the following subaward management policies and procedures of the DSA:

  – Pre-award Award Processing

  – Post Award

  – Subaward Award Management

  – Subgrant Late Applications

  – Subgrant Application Review

  – Subgrant Award Processing

  – Subgrant Termination or Reduction

  – Subgrant Closeout

  – Retention & Disposition of Records

  – Subgrant Technical Assistance and Training

  – Subgrant Risk Assessment and Monitoring

  – Programmatic Evaluation of Subgrants

Checklist to Determine Subrecipient or Contractor Classification

The ability to determine whether funded awards should be executed as contracts or as subgrant awards can be complicated but is critical for states.

TIP

Use OJP's Checklist to Determine Subrecipient or Contractor Classification available at https://www.ojp.gov/sites/g/files/xyckuh241/files/media/document/Subrecipient-Procure-cklist-B.pdf to determine the correct classification to use. Maintain a copy of this form in the subaward or procurement file.

Managing Subgrantee No-Cost Extension Requests

If one of the typical reasons for grant extension requests is subgrantees requesting more time at the last minute, there are a few ways you might be able to address this issue.

TIPS

- The juvenile justice specialist might plan for routine meetings with their Title II subgrant manager (if not you) to review all open subgrants to review each subgrantee's progress, use of funding, and funds remaining to determine whether they are on track to fully expend their award by their subgrant end date. The earlier you recognize an issue, the earlier you find a solution.

- Have the subgrantees' award period end 3–6 months prior to the state's Title II award end date. This approach allows some time to re-award funds to other Title II-funded projects that have shown they can expend the funds appropriately.

Subrecipient Audit Requirements

Subrecipient/subgrantees that expend $750,000 or more of Federal funds (from all sources) during the entity's fiscal year must have a *single or program-specific* audit conducted for that year in accordance with the provisions of §200.501 (Audit requirements). The completed audit must be submitted no later than 9 months after the subrecipient's year end or one month after the issuance of their audit.

TIPS

- The DSA might consider requesting the most recent audit from subrecipient/subgrant applicants at the application phase or no later than the time of the award.

- The [Federal Audit Clearinghouse](#) database may be used as evidence to verify that the required audit was performed and the subrecipient had "no audit findings."

- Upon receipt of a completed audit from a subgrantee, the DSA needs to do the following:

  – Evaluate the impact of subrecipient/subgrantee's activities on the DSA's ability to comply with applicable Federal regulations.

  – Issue a management decision on audit findings regarding Title II funds within 6 months of receipt of the subrecipient's audit report.

  – Ensure that the subrecipient takes timely and appropriate corrective action on all audit findings.

Administrative Guide for Subgrantees/Subrecipients

"As part of the organization's subrecipient monitoring process, it is important to develop systems, policies, and procedures to ensure that subrecipient reviews are conducted in accordance with Federal program and grant requirements, laws, and regulations" (DOJ Financial Guide, p. 116). To better assure successful grant management practices are put into place and operationalized at the subgrantee/subrecipient level, provide a clear set of expectations for grant management practices to which the subgrantees are required to adhere.

TIP

Like the DSA's policies for grant management, an administrative guide provides detailed information for subrecipients regarding their grant management responsibilities and processes. Suggested content areas might include the following:

- Purpose of the Guide

- Subrecipient/Subgrant Agreement/Contract

  – Content of subgrant/contract, instructions for competing, signatures required, additional requirements

- Required subgrantee/subrecipients grant reporting forms, certifications, and modifications

  – Reasons for the forms, how to complete, when to submit, common errors

- Recordkeeping responsibilities and rules on use of budgeted funds

  – Accounting System Criteria, Accounting Controls, Unallowable Costs, Interest Earned (if applicable), Matching Funds, Minimum Cash on Hand, Supplanting, Budget Categories and Record Maintenance, Consultants/Contracts, Indirect Costs, and Federal Funding Accountability and Transparency Act (FFATA)

- Procurement

    - Federal requirements and processes for procuring goods and/or services (e.g., competition, sole source), use of state procurement processes, written procurement policies

- Consultant/Contracts Services

    - Subaward Versus Contract Determination, Sole Source Requirements (if applicable), Independent Contractor Versus Employee Determination, Excluded Parties List (SAM requirements), Contract Provisions

- Subrecipient/Subgrant Agreement/Contract Close-Out

    - Final Financial and Narrative Reports, Project Income Report (if applicable)

    - Equipment Inventory Form, Retention of Records

- Audit Requirements and DSA Monitor Guidelines

    - Federal Audit Requirements, Guidelines for DSA Monitoring of Subrecipients

- Early Termination or Reduction of Subrecipient/Subgrant Agreement/Contract

    - Reasons for and processes