



VERMONT

**STATE OF VERMONT**

**DEPARTMENT OF PUBLIC SAFETY**

**GRANTING PLAN PART 2**

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**SUBAWARD MANAGEMENT**

Effective Date July 1, 2015

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# Chapter One: Life Cycle of a Subaward

## ***Purpose***

A subrecipient agreement(s) obligates funds under a program. Step V of DPS’s Granting Plan Part 1 “Lifecycle of a Grant” illustrates how the subaward process fits into the overall process of managing a grant to DPS. The Department of Public Safety issues *subawards* through: 1) state funds and 2) passing through *other* funds to subrecipients. In this guide the term recipient and subrecipient is used for both a state fund grantee and a passthrough subrecipient. This chapter describes the overall process of how DPS solicits applications, selects subrecipients, issues subaward agreements, reimburses subrecipients, closes out subawards and audits subawarded funds. This chapter also contains an outline of DPS’s role and the subrecipient’s role in the subaward process.

## ***DPS and Subrecipient Responsibilities***

### **DPS Responsibilities**

- *Identify and provide information about awards (e.g., CFDA and other identifying information) to subrecipients.*
- *Comply with payments outlined in agreement.*
- *Inform subrecipients about compliance requirements.*
- *Monitor subrecipient activities.*
- *Provide technical advice and training.*
- *Ensure subrecipients have single audits, if required.*
- *Issue management decisions within six months on subrecipient Single Audit findings and ensure subrecipients take corrective action.*
- *Take appropriate remedial action as a result of subrecipient audits.*

### **Subrecipient Responsibilities**

- *Administer the grant from award to closeout.*
- *Comply with terms and conditions of the subrecipient agreement and applicable rules and regulations.*
- *Develop internal policies and systems to ensure effective management of federal funds and compliance with policy requirements. (2 CFR 200.303)*
- *Follow their organization procedures as well as grant requirement. If one policy has more limitations, they must follow the more restrictive policy.*
- *Ensure the organization has a financial management system and any other systems that are appropriate such as procurement and property management systems.*
- *Establish a budget of the costs required to perform the program and a method for monitoring actual costs against the budget.*
- *Keep abreast of changes in policies, procedures or requirements and advise staff of any changes.*
- *Request prior approvals when necessary.*
- *Prepare necessary reports.*
- *Keep the pass-through entity aware and informed about subaward project progress.*
- *Properly manage any program income.*
- *Maintain asset list and conduct physical inventory (if required).*
- *Provide mandatory disclosures*

## ***Steps***

### **I. Subaward Solicitation:**

Anytime DPS intends to pass-through grant funds, DPS will post a solicitation for open competitive applications. The DPS program workcenter will post a competitive solicitation for public viewing using the best available media. The posting may include but is not limited to; newsletters, DPS website, distribution lists, direct mailing and an electronic web-based grant management system. Any posting process must ensure a suitable and fair dissemination of the subaward opportunity.

The Financial Office, in collaboration with program workcenter staff, will prepare a subaward solicitation document that:

- *clearly defines the parameters a potential subrecipient will follow to meet the requirements for successful subaward application submission*
- *requires applications to include appropriate subrecipient performance goals and objectives*
- *outlines special grant terms and conditions*
- *includes a statement that the applicant organization must have a current (not over one-year-old) risk survey response on file or on the DPS on-line risk survey tool (<http://www.surveymk.com/s/SFVZSTB2013>).*
- *may include how DPS will evaluate and score the application/proposal*
- *may include how DPS will measure performance*
- *may define expected reporting requirements, including a monthly reimbursement request submission*
- *includes any matching requirements*

DPS can bypass the subaward solicitation step only if the granting agency or SOV statute defines the funds as intended for a specific subrecipient.

### **II. Subrecipient Training:**

DPS staff will make every effort to convey all critical grant related information to potential subrecipients and will be available to answer any questions relating to the granting process. The Financial Office will coordinate the development of policy, procedures, forms and formats for this process.

The program workcenter and the Financial Office will work together to develop and conduct program specific training for potential subrecipients. The trainings will include a discussion of the aims and goals of the program, subrecipient and DPS responsibilities in complying with regulations, reporting expectations and financial obligations.

Potential subrecipients with intent to apply for an award should attend training if offered whether or not they have received an award from DPS in the past. The training goal is to minimize risk, reduce misunderstanding and be transparent in the expectations.

### III. Application

The Financial Office will provide the document that applicants will use as the official DPS subrecipient application. A Financial Office supervisor may approve variations to the form to facilitate the process on a program-by-program basis after a collaborative review between the Financial Office and the program workcenter staff. On the application, potential subrecipients will provide:

- *Identifying information for their organization (federal ID number, DUNS, Vermont Business Tax ID number, address, etc.)*
- *Project narrative including goals and objectives*
- *Contact information for Financial and programmatic staff*
- *Requested budget including identifying the source of matching funds (if required)*
- *Indirect cost rate approval letters (if applicable)*
- *Identify any program income*
- *Required Insurance Documents (see SOV Standard Attachment C)*
- *Special modification to standard terms (these requests are to be used with justification and must be in accordance with grant regulations and approval from the federal agency [where required])*

In the case where the subaward will be an entitlement grant, the subrecipient must still provide all information normally required in an application (i.e. budget, problem statement, metrics, DUNS and Federal Tax ID numbers, etc.)

Subrecipient with Fiscal Agents: when an organization applies for an award and they require another organization to be their fiscal agent, please refer to page 12 of Bulletin 5 for the appropriate process.

### IV. Subaward Funding Decision

DPS will ensure the review of subaward applications according to a pre-defined, consistent and documented methodology. The review panel will minimally include the program workcenter manager and a member of the Financial Office and will make decisions to subaward funds based on predetermined criteria. The panel members must not have an actual or appearance of a conflict of interest. Instead, the panel will consistently apply criteria to make the funding decision without prejudice. The review panel shall ensure that the **Federal Subrecipient or Contractor (Vendor) Determination Checklist** (GMU 203b) is completed prior to deciding to issue a subrecipient agreement. DPS will retain written documentation of the funding decision for each application. Such documentation shall include:

- *for entitlement grants, DPS will document the statutory language that requires the subaward*
- *the objectives and goals of the applicant*
- *the amount requested*
- *information collected in the application process*

- *prior performance of any applicant*
- *applicant Score Sheet*
- *justification for approval of any modification to standard grant terms*

**Determination of Eligibility:**

While drafting the subrecipient agreement, the Financial Office will determine the applicant’s pre-award eligibility in accordance with [Bulletin 5 Procedure #1](#) and other federal eligibility requirements by ensuring the following:

- *The applicant’s DUNS number on the federal System for Award Management (SAM) web site (<https://www.sam.gov/portal/public/SAM/>) has no exclusions. The Financial Administrator will print the SAM display for the agency and include it in the subaward file.*
- *The applicant is not delinquent in filing their prior years’ Subrecipient Annual Report*
- *The applicant is not delinquent in submitting a Single Audit Report*
- *The applicant is not on the DPS Restricted Parties List*
- *The applicant is not on the SOV Buildings and General Services Office of Purchasing & Contracting [Debarment List](#)*

**Risk Assessment:**

As part of the subaward process, DPS will conduct and document a risk assessment for each subaward that identifies the potential subrecipient level of risk. The risk assessment is based upon the complexity and dollar value of the potential award and the subrecipient’s responses to the risk assessment questionnaire. This risk assessment will determine if special conditions<sup>1</sup> are required (See attached [Risk Assessment Form](#)).

All applicants (except state agencies) are required to complete the “Survey Monkey” questionnaire. The Finance Office will print the latest version of the applicant’s most recent risk assessment and complete the DPS’s section of the form in order to compute the Assigned Risk Level.

For a State of Vermont agency or department, the online “Survey Monkey” questionnaire is not necessary because as a state agency they are part of the same consolidated Single Audit as DPS. For MOUs to other state agencies, the Finance Office will document a risk assessment based on DPS subaward experience with the agency, subaward complexity and the subaward amount. This will create the risk level to establish reporting and monitoring criteria for that subrecipient.

High Risk Subrecipient, DPS must document the reason for awarding to a high-risk subrecipient and obtain the approval of the appointing authority (as required in Bulletin 5).

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<sup>1</sup> *Special conditions may be no cash advance, subrecipient requires additional technical assistance or monitoring, and other conditions determined by DPS.*

## **V. Subrecipient Agreement Preparation:**

If DPS makes the funding decision to award funds to an applicant, the Financial Office will assign unique Project Grant identifiers (PG), using the GMU-207 PG Budget Form for each subrecipient project within a grant. This unique PG will facilitate subrecipient financial tracking. DPS staff will use a PG on each budget area (category of spending) that requires a unique tracking of expenditures and revenues.

The Financial Administrator will prepare the DPS **Standard Subrecipient Agreement** for each non-State organization. The program workcenter will provide the Statement of Work (SOW), budget and performance measures to be included in the agreement.

The Financial Office will use **Letters of Understanding Agreements (LOU)** in lieu of the Standard Subrecipient Agreement in cases where a program workcenter within DPS makes grant funds available to another DPS workcenter. (i.e. Criminal Justice Services grants funding to Vermont State Police) The workcenter performing the grant-funded work will be subject to the same policies and procedures as a subrecipient.

The Financial Office will use **Inter-Agency Memorandum of Understanding (MOU)** in lieu of the Standard Subrecipient Agreement in cases where a program workcenter makes grant funds available to another SOV business unit (i.e. DPS State Police Division grants funding to the Department of Fish & Wildlife) . The SOV agency receiving the grant funds will be subject to the same policies and procedures of a subrecipient.

**Pre-Award Costs:** Unless there is a written authorization from the DPS appointing authority, DPS will not reimburse recipients for costs incurred prior to the full execution date of the subrecipient agreement.

**Payment Provisions:** The subrecipient agreement will specify that the subrecipient must fill out the GMU-502F or GMU-502S form in order to request payment. This form must be submitted on a regular basis as defined in the subrecipient agreement. Monthly reimbursement requests are the standard submission terms and this allows appropriate cash management in accordance with state and federal policy.

### **Payment Options:**

The DPS Financial Office, in consultation with the program workcenter, will decide on the most appropriate payment option for each subaward. They will base the decision on the risk assessment that includes size of award, complexity of the program, the subrecipient organization's grant management history and other factors. There are two payment options available: Reimbursement with Documentation and Limited Cash Advance.

### **Reimbursement with Documentation**

Reimbursement with documentation is the default method for subaward payments. Subrecipients submit the DPS Financial Report GMU-502 forms with documentation that is sufficiently detailed to support the source and allowability of costs incurred to receive payment. Examples of detailed supporting documentation may include payroll reports, timesheets, general ledger reports, paid vendor

invoices, and cancelled checks. Reimbursement of costs should be in arrears of the subrecipient incurring the expenditure.

### **Limited Cash Advance**

DPS recognizes on rare occasions, a subrecipient may not be in a position to execute the requirements of a subrecipient agreement due to cash flow issues affecting their organization. It shall be the policy of the department to provide limited cash advances, subject to any conditions and requirements of the granting agency(s), in order to facilitate the subaward activity in those specific instances. Subrecipients would not be eligible for cash advance if they have a history of non-compliance with grant agreements. Upon receipt of the cash advance payment the subrecipient must pay for the goods or services within ten business days, notify DPS of the payment and provide proof of the payment. These transactions are subject to future audit and the subrecipient must observe all normal subaward requirements in this process.

The subrecipient can send a written request for a limited cash advance by providing: (1) An explanation of why the subrecipient needs limited cash advance, (2) the period or activity covered by the cash advance (3) the amount requested and (4) any other information as requested by DPS. The Financial Office will send this request to the Financial Office Supervisor for approval and will then notify the subrecipient of the decision.

**Elements within a Subrecipient Agreement:** In accordance with this plan and 2 CFR § 200.331, all subrecipient agreements must include<sup>2</sup>:

- *Award Identifying information*
- *Scope of work*
- *Budget*
- *All requirements, regulations, federal grant guidelines, provisions, policies and terms and conditions of the award*
- *Reporting requirements*
- *Bulletin 5: Part 1 Grant Award Detail*
- *Bulletin 5: Part 2 Grant Agreement (with approved changes on the GMU-204 forms)*
- *SOV Standard Attachment C*
- *The subrecipient's indirect cost rate (if applicable & allowable)*
- *Matching requirements*
- *Requirement to allow access to make records available for audit*
- *Terms and conditions for close-out*
- *Appropriate Signatures*

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<sup>2</sup> When some of this information is not available, the DPS will provide the best information available to describe the award.

## **VI. Program Activity and Spending Begins:**

The subrecipient begins performing work as defined under the subrecipient agreement. Costs eligible for reimbursement would be within the outlined scope-of-work, time-period and budget.

### **Subrecipient Organizational and Financial Requirements:**

**Commingling:** Subrecipient must be able to separately identify grant funds on a program by program or project by project basis within their financial management system.

**Procurement:** Subrecipients must follow both their organization procedures and grant conditions when making a procurement under a subaward, including but not limited to the following:

- *For federal purchases the subrecipient must follow 2 CFR 200.317 – 200.326*
- *All procurement must be competitive*
- *Check that vendors and contractors are not an excluded parties using [www.sam.gov](http://www.sam.gov)*
- *The subrecipient must determine that a contractor is not a subrecipient under 2 CFR 200.330*
- *Obtain written authorization from DPS to sub-contract or sub-award. This written authorization can be documented in the grant application if the subrecipient clearly states this intention and the subrecipient agreement clearly outlines the sub-contract or sub-award.*

**Supplementing not Supplanting:** Most federal funds must be used to supplement and not replace (or supplant) local or state funds which have been appropriated for the same purpose. If there is a potential presence of supplanting, the applicant or grantee will be required to supply documentation demonstrating that the reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.

**Selected Items of Cost:** Subrecipients must ensure that costs under federal grants are allowable and documented in accordance with 2 CFR § 200.420 – 200.475.

**Payroll:** Subrecipients must document their personal services as required under 2 CFR § 200.430 – 200.431. Some awards may require additional activity logs, programmatic work descriptions/narratives or cost spreadsheet.

**Travel:** Travel costs may not exceed charges normally allowed by the subrecipient in its regular operations. The subrecipient's written travel policy may not allow additional costs based on the source of funding. All costs must be allowable under 2 CFR § 200.474.

**Equipment:** All costs must be approved, documented and allowable as described in grant agreements and 2 CFR § 200.313 and 200.439. A control system must be in place to ensure adequate safeguards to prevent loss, damage or theft of the property. An asset list must be maintained and an inventory performed at least every two years.

**Reallocating Costs within Budget Categories:** During the performance of a subaward, any of the cost categories in the budget may be increased or decreased by up to 10% of the total award without the

need for an official amendment. It would need the prior written approval of the Financial Office. The proposed change:

- *must be within the total award amount in effect at the time of the adjustment*
- *must not change the scope of work*

#### **Subaward Amendment:**

An amendment is a request to make a programmatic, administrative, or financial change to an agreement. Examples include changes in scope of work, budget modification, and change in agreement term (period of performance). Subaward amendments only affect those items documented on the amendment; all other terms and conditions remain unchanged. No changes, modifications, or amendments in the terms and conditions of an agreement shall be effective unless in writing and signed by an authorized representative of the State and Subrecipient.

### **Reporting**

#### **Progress Reports**

Subrecipients may be required to submit various types of progress reports during the award. The program workcenter is responsible for developing and monitoring progress reports for appropriate scope of work and outcomes. DPS may require additional progress reports based on risk identified in step IV of this chapter. When review is completed by the program workcenter, the progress report must be filed in the Financial Office official subrecipient grant file, except when the content is deemed confidential (i.e. JAG, EFF, and DRE). In that case, the reports will be retained according to the security policies of the responsible party.

Progress reports provide DPS with information to keep them informed of a grant's progress, explain any difficulties encountered, provide background information, and suggest ways in which DPS can assist and aid in the attainment of goals and objectives. DPS also uses the information to strengthen the State's overall program and improve outcomes.

#### **Financial Reports**

There are two financial reporting requirements for subrecipients. The first is the periodic submission of the DPS Financial Report Form. The other is the annual submission of the State of Vermont Subrecipient Annual Report (SAR) submitted to the Department of Finance and Management (F&M).

*DPS Financial Report Forms GMU-502F or GMU-502S*: The subrecipient must use this form to request reimbursement of their expended grant funds. The only form accepted by DPS for subrecipient payments is the DPS Financial Report Form. Subrecipients must submit signed requests to Financial Office staff at least monthly unless a different reporting schedule has been approved and documented in the subrecipient agreement (subrecipients may request a different period of reporting as noted in Section V.). Reports are due one month after the performance period stated on the report (i.e. a report for April 1 through April 30 is due by May 31).

As part of the subrecipient financial reporting, subrecipients will report all required matching funds on the DPS Financial Report Form.

*Financial Office Desk Review:* The subrecipient prepares the DPS Financial Report form and attaches any required documentation. The subrecipient representative who has the authority to authorize payments and request reimbursements, must sign the completed form. The subrecipient submits the completed form to the DPS Financial Office. The subrecipient should contact the DPS Financial Office if they have any questions about any item of cost, its allowability, or required documentation.

The Financial Office monitors performance and spending on the grant and ensures all expenditures charged to the grant are allowable. DPS will return for correction any request for reimbursement found to have unallowable or undocumented expenditures included in the request.

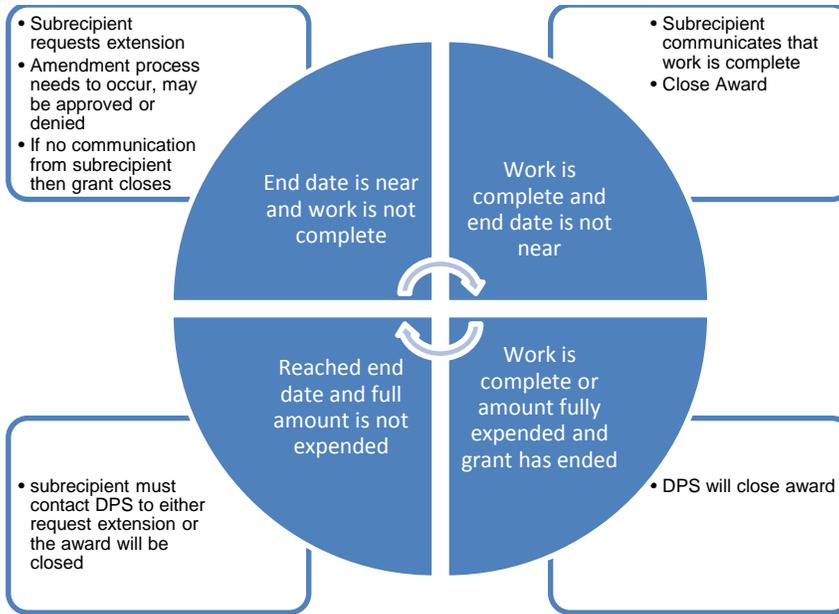
Financial Office will review the request as follows:

- *Ensure the proper authorization for payment*
- *Ensure the claimant is not on the DPS Restricted Parties List*
- *Ensure the request contains the proper backup documentation*
- *Ensure the request has the proper dates, amounts, cost categories and grant number*
- *Record the reported match on the Financial Workbook*

*State of Vermont Subrecipient Annual Report (SAR)* This is a report of all subrecipient federal expenditures during a subrecipient fiscal year. The form is due to State of Vermont, Department of Finance & Management 45 days after the end of subrecipient's fiscal year. Federal reporting procedures require the state to obtain this information. This requirement is listed in Attachment C of subrecipient agreements. DPS will place subrecipients who are delinquent in filing this report on the DPS Restricted Parties List and no further grants or payments will be made to that subrecipient until the delinquency has been rectified.

## **VII. Close-Out**

When a performance period is nearing its end, the subrecipient should ensure all work is complete and file their reports by the deadline noted in Attachment B of the subrecipient agreement. If they have determined a need for an extension, it must be requested with sufficient time to allow for DPS to review and approve prior to the end of the current award term. If the performance period and date for the final report ends and the subrecipient does not contact DPS for an extension, the Financial Office will close out the award. The below chart outlines different closeout scenarios.



The Financial Office and program workcenter will ensure the following minimum conditions exist then issue a final closeout letter to the subrecipient and record in VISION:

1. All required match is present.
2. Any Special Conditions have been satisfied
3. Reconcile VISION and financial workbook.
4. *The grant file contains* relevant correspondence
5. *The grant file contains* grant application, including all attachments
6. *The grant file contains* award document, including all attachments
7. *The grant file contains* amendments (if applicable)
8. *The grant file contains* financial reports in chronological order
9. *The grant file contains* progress reports in chronological order
10. *The grant file contains* Close-Out documents

### **VIII. Audit**

The subrecipient must maintain files and records for the period required by their organization and in the subrecipient agreement. The subrecipient must ensure that all of the documentation supporting the operations and expenditures of the funds is available for inspection upon request. The State of Vermont, DPS and awarding agencies will periodically monitor subrecipient documentation. Subrecipients must have documentation to verify proper internal controls, financial management systems, cash management, asset management, personnel and payroll records, and documentation of direct and indirect costs.

Below are documents commonly requested in audits (not limited to):

- Grant Management Procedures

- Budget Control Procedures
- Purchasing and Contracting Procedures
- Inventory Procedures and Inventory Records
- Cash Management Procedures
- Separation of Duty procedures
- Excluded parties ([www.sam.gov](http://www.sam.gov)) verification process
- Conflict of Interest Policy
- Equal Employment Opportunity Plan (EEO) policy (if required)
- Insurance Certificates
- Contracts, Solicitations, Bids Received, and Selection Explanation
- Purchase Orders, Bills of Lading, Invoices and Canceled Checks
- Amortization Schedules
- Bank Account Statements
- Journal Entries
- Interest tracking for Cash Advances
- Records of Program Income
- General Ledger Reports for grant transactions
- Chart of Accounts
- Financial Statements
- Single Audit Reports
- Budget Documentation or other support to document no supplanting
- Approved Allocated Cost Plans or indirect cost plan
- Board Meeting Minutes
- Documentation of Communication with DPS Personnel

DPS performs subrecipient monitoring as defined in DPS Granting Plan Part 3 & 4.

If DPS makes a reimbursement and later finds it unallowable, DPS will inform the subrecipient of the finding and require the return of funds in 45 days. Subrecipients may respond with sufficient documentation to demonstrate the expenditure was allowable. DPS will review the response and determine whether this satisfies the requirement or if expenditure is still unallowable. If a subrecipient is not compliant with grant terms then DPS places them on the DPS Restricted Parties List until the matter is resolved per 2 CFR 200.338.

## Chapter Two: Indirect Cost Rate Approvals

Indirect costs charged to a federally funded award, will be accepted by DPS if the subrecipient has an approved Indirect Cost Rate by a cognizant agency and the award allows indirect costs. State funded awards may charge indirect costs at the discretion of DPS. Whether indirects are allowable to be charged to an award will be noted in the solicitation. If an authorized organization other than DPS has approved a subrecipient's indirect cost rate, then DPS must have a copy of the agreement prior to including these costs in our subawards. The agreement must be submitted along with the award application. If an organization receives an approved indirect cost rate *after* the start of the award, DPS would need the subrecipient to request an amendment to allow indirect costs as this is a change of budget category in the subaward. Indirect costs would be allowable for the time-period of the approved indirect cost rate agreement.

**Cognizant Agency** Unless different arrangements are agreed to by the agencies concerned, the **Federal** agency with the largest dollar value of awards with an organization will be designated as the cognizant agency for the negotiation and approval of the indirect cost rates and, where necessary, other rates such as fringe benefit and computer charge-out rates. If an organization does not receive grant funds directly from a federal agency then the cognizant agency would be the pass-through awarding agency that awarded them the most federal funds. Once an agency is assigned cognizance for a particular organization, the assignment will not be changed unless there is a major long-term shift in the dollar volume of the Federal awards to the organization. If DPS is determined to be the cognizant agency, then the rate proposal will be reviewed by the DPS internal Auditors and approved by the Director of the Administration Division.

**Allocation of Indirect Costs and Determination of Indirect Cost Rate.** The subrecipient and DPS will jointly determine what type of allocation plan will be appropriate. The simplified method is the most common. A simplified method<sup>3</sup> is allowable if the organization has one major function or all functions benefit from indirect costs to the same degree.

DPS will need to collect the below information from the applicant:

- a. *The fiscal year of this proposal starts \_\_\_\_\_ and ends \_\_\_\_\_*
- b. *Total costs for the base period \$ \_\_\_\_\_*
- c. *Unallowable costs are: \_\_\_\_\_*
- d. *Unallowable cost amount: \$ \_\_\_\_\_*
- e. *Capital expenditures amount: \$ \_\_\_\_\_*
- f. *Distorting items during the period are: \_\_\_\_\_*
- g. *Distorting item amount is: \$ \_\_\_\_\_*
- h. *Indirect Costs are: \_\_\_\_\_*
- i. *Indirect cost total (excluding unallowable costs) is: \$ \_\_\_\_\_*

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<sup>3</sup> Other methods are defined by federal regulations which include: (1) multiple allocation base method, (2) direct allocation method and (3) special indirect cost rate.

- j. Identify the distribution base: \_\_\_\_\_
- k. Distribution Base Amount: \$\_\_\_\_\_

**Documentation of Proposals.** The following shall be included with each indirect cost proposal:

- a. The rates proposed, including subsidiary worksheets and other relevant data, cross-referenced and reconciled to the financial data. Allocated central service costs will be supported by a summary table included in the approved central service cost allocation plan. This summary table is not required to be submitted with the indirect cost proposal if the central service cost allocation plan for the same fiscal year has been approved by the cognizant agency and is available to the funding agency.
- b. A copy of the financial data (financial statements, comprehensive annual financial report, executive budgets, accounting reports, etc.) upon which the rate is based. Adjustments resulting from the use of unaudited data will be recognized, where appropriate, by the cognizant agency in a subsequent proposal.
- c. The approximate amount of direct base costs incurred under awards. These costs should be broken out between salaries and wages and other direct costs.
- d. A chart showing the organizational structure of the agency during the period for which the proposal applies, along with a functional statement(s) noting the duties and/or responsibilities of all units that comprise the agency. (Once this is submitted, only revisions need be submitted with subsequent proposals.)
- e. Required certification. Each indirect cost rate proposal shall be accompanied by a certification in the format determined by federal regulations within 2 CFR 200.
- f. Other documents as required by the awarding agency and federal regulations.

## Chapter Three: Subaward Files

All subawards will have a master grant file in the Financial Office. However, the monitoring and audit files will be separate. Each program workcenter shall be responsible for performing and documenting programmatic monitoring to subrecipients. They shall maintain programmatic monitoring files as listed in their division's granting plan. The audit unit of the Administration division will perform and document financial monitoring (audits) of subrecipients. The audit unit maintains separate audit files for the financial monitoring that they perform.

In order to make it easier to find information and documents, the Financial Office will organize all subaward file folders in classification type folders, with two partitions/six positions. The contents will follow this format:

Position 1	Financial Reports receipts, invoices, timesheets, salary information
Position 2	Monthly/Quarterly/Annual/Final Reports
Position 3	Emails, notes, telephone call notes and other correspondence
Position 4	Reviewers' Score sheet and Risk Assessment <a href="http://www.sam.gov">www.sam.gov</a> check
Position 5	Subrecipient Application and Insurance Certificate
Position 6	Subrecipient Agreement & Amendments

# Attachment 4: Risk Assessment

## DPS RISK ASSESSMENT

In accordance with OMB A-133

**Organization Name:** Sample Town

**Legal Entity:** Sample Town

**Assessment Date:** 04/28/2015

**DUNS #:** 9999999

**Expiration:** 12/30/1899

### ACCOUNTING

	CRITERIA	SCORE
Type of Accounting System	Automated	0
Written Fiscal Transaction Policies and Procedures	Yes	0

### AUDIT INFORMATION

<b>Has Your organization been audited within the past twelve months?</b>		
No, not within the past twelve months		25
<b>Completion date of most recent audit (if applicable):</b>		
<b>Result:</b>		
Our organization has never been audited		50
<b>Single Audit Required?</b>	No	0
<b>Sig. Findings re: program non-compliance?</b>		0
<b>Sig. Findings re: internal control deficiency?</b>		0

### GRANT MANAGEMENT INFORMATION

<b>Written Policy re: Grant Compliance</b>	Yes	0
<b>Files for 3 years after close of grant</b>	Yes	0

**SUBTOTAL:** 75

**Subgrant complexity?**

Low (0 pts), Moderate (10 pts), High (20 pts) \_\_\_\_\_

**Subgrant Amount**

Less than \$25K (0 pts), \$25-250K (10 pts), over \$250K (20 pts) \_\_\_\_\_

Risk Levels:

0 - 69 Low  
70 - 99 Moderate  
100 + High

**TOTAL SCORE:** \_\_\_\_\_

**ASSIGNED RISK LEVEL:** \_\_\_\_\_

**Grant Manager Notes/Comments:**

**GMU Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

5/13/2015 3:03:19 PM

GMU-205