



Subrecipient Management Self-Assessment Checklist

As a part of the National Science Foundation's (NSF) ongoing efforts to better facilitate award stewardship, this checklist was created to enable applicants and awardees the ability to assess their subrecipient management practices, verify areas where those practices meet Federal requirements, and identify and remedy any deficiencies identified. Specifically, this checklist was designed to encourage awardees that employ subawards under NSF awards to ensure they have documented processes for:

- ▶ Contract versus subaward determination when selecting agreement type
- ▶ Subrecipient selection, evaluation, and risk assessment
- ▶ Subaward agreement preparation and modification
- ▶ Subaward monitoring and oversight
- ▶ Reporting requirements.

For additional guidance, please refer to following:

- ▶ 2 CFR 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
 - ▶ *Subrecipient Monitoring and Management* [Section 331 Subrecipient and contractor determinations](#), [Section 332 Requirements for pass-through entities](#), and [Section 333 Fixed amount subawards](#)
 - ▶ Specific Conditions [Section 208](#)
 - ▶ Remedies for noncompliance [Section 339](#) and Termination [Section 340](#)
 - ▶ Audit Requirements [Subpart-F](#)
- ▶ [NSF Research Terms and Conditions](#)
- ▶ NSF [Grant General Conditions \(GC-1\)](#) 8. Project changes, a. Subawarding or Transferring Part of an NSF Award (Subaward); 19. Reporting Subawards and Executive Compensation; and 15 Project Reporting Requirements.
- ▶ NSF [Cooperative Agreement Financial & Administrative Terms and Conditions \(CA-FATC\)](#) 8. Project changes, a. Subawarding or Transferring Part of an NSF Award (Subaward); 19. Reporting Subawards and Executive Compensation; and 15 Project Reporting Requirements.
- ▶ NSF [Proposal and Award Policies and Procedures Guide \(PAPPG\)](#),
 - ▶ Chapter II. Proposal Preparation Instructions, Section C. Proposal Contents, 2. Sections of the Proposal, g. Budget and Budget Justification (vi) Other Direct Costs, (e) Subawards (Line G5 on the Proposal Budget)
 - ▶ Chapter VII. Grant Administration, Section B. Changes in Project Direction or Management, 4. Subawarding or Transferring Part of an NSF Award (Subaward)

Pre-Subaward – Subaward vs. Contract Determination

See [2 CFR 200.331](#) and [200.333](#)

1. Does your organization have a documented process for determining whether to issue a subaward or contract? Are the determinations and rationales documented and maintained in case of external review or audit?

YES Great. This will be a theme throughout this self-assessment. Having well documented processes and decisions resulting from those processes can help demonstrate consistency, objectivity, and reasonableness to organizational management and other stakeholders.

NO Please consider documenting processes and determinations resulting from those processes to demonstrate consistency, objectivity, and reasonableness to organizational management and other stakeholders. Undocumented processes and outcomes could result in determinations being questioned.

2. Judgment is a key factor in deciding the type of agreement (subaward or contract). (True or False)

TRUE These decisions can be difficult as each instance may have an element(s) indicative of both a subaward and contract. In determining whether an agreement between a pass-through entity and another non-Federal organization should be a subaward or a contract, the substance of the relationship is more important than the form of the agreement. All of the characteristics of either a subaward or contract may not be present in all cases, and the pass-through entity must use judgment to classify each agreement as either a subaward or a procurement contract. Because of the subjectivity of this decision, documenting processes and the outcomes of using that process is particularly important.

FALSE The Uniform Guidance was designed, in part, to allow for judgement because these decisions can be difficult as each case may have an element(s) indicative of both a subaward and contract. In determining whether an agreement between a pass-through entity and another non-Federal organization should be a subaward or a contract, the substance of the relationship is more important than the form of the agreement. Because of the subjectivity of this decision, documenting processes and the outcomes of using that process is particularly important.

3. Which elements should be considered in deciding whether to issue a subaward instead of a contract?:

(select all that apply)

- Determines who is eligible to receive what Federal assistance.
✓ CORRECT, this factor is often found in subrecipient relationships. However, the substance of the relationship (procurement or delivery of public assistance) is more important than any one factor. Judgment is often required.
- Has a longstanding relationship or substantive experience implementing grants similar to the proposed scope of work.
✗ INCORRECT. Past performance is a very strong indicator of future success of the work but is not a factor in determining whether the legal vehicle should be a subaward or contract.
- Has its performance measured in relation to whether objectives of a federal program were met.
✓ CORRECT, this factor is often found in subrecipient relationships. However, the substance of the relationship (procurement or delivery of public assistance) is more important than any one factor. Judgment is often required.
- Has responsibility for programmatic decision making.
✓ CORRECT, this factor is often found in subrecipient relationships. However, the substance of the relationship (procurement or delivery of public assistance) is more important than any one factor. Judgment is often required.

- Is responsible for adherence to applicable Federal program requirements specified in the Federal award.
 - CORRECT**, this factor is often found in subrecipient relationships. However, the substance of the relationship (procurement or delivery of public assistance) is more important than any one factor. Judgment is often required.
- In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.
 - CORRECT**, this factor is often found in subrecipient relationships. However, the substance of the relationship (procurement or delivery of public assistance) is more important than any one factor. Judgment is often required.

4. Which elements should be considered in deciding to issue a **contract** instead of a subaward?:

(select all that apply)

- Provides similar goods and services within its normal business operations to many different purchasers.
 - CORRECT**, this factor is often found in contractual (procurement) relationships. However, the substance of the relationship (procurement or delivery of public assistance) is more important than any one factor. Judgment is often required.
- Normally operates in a competitive environment.
 - CORRECT**, this factor is often found in contractual (procurement) relationships. However, the substance of the relationship (procurement or delivery of public assistance) is more important than any one factor. Judgment is often required.
- Contracts are easier to monitor.
 - INCORRECT**. Most grants/contracts professionals would argue that this statement is not true. Regardless, ease of monitoring would not be a factor in determining whether the legal vehicle should be a subaward or contract.
- Recipient preference.
 - INCORRECT**. Contractor/subrecipient/pass-through entity preference would not be a factor in determining whether the legal vehicle should be a subaward or contract.
- Provides goods or services that are contribute and support the operation of the Federal program.
 - CORRECT**, this factor is often found in contractual (procurement) relationships. However, the substance of the relationship (procurement or delivery of public assistance) is more important than any one factor. Judgment is often required.
- Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.
 - CORRECT**, this factor is indicative, but not necessarily determinative, of a contractor (procurement) relationship.

5. Are fixed amount subawards ever appropriate?

YES

Although uncommon, with prior written approval from the Federal awarding agency, a pass-through entity may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold, provided that the subawards meet the 2 CFR 200.201 requirements for fixed amount awards. Also see 2 CFR 200.333 Fixed amount subawards.

NO

Incorrect. Although uncommon, with prior written approval from the Federal awarding agency, a pass-through entity may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold, provided that the subawards meet the 2 CFR 200.201 requirements for fixed amount awards. Also see 2 CFR 200.333 Fixed amount subawards

Pre-Subaward – Subrecipient Selection, Evaluation, and Risk Assessment

See [2 CFR 200.332](#)

6. Does your organization have written policies for evaluating and documenting each proposed subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward?

YES

Great news! An evaluation of each proposed subrecipient's risk for compliance is required by the Uniform Guidance. Documenting the results of that evaluation is important to demonstrate that it was performed.

NO

NSF strongly recommends implementing this practice and documenting it. An evaluation of each proposed subrecipient's risk for compliance is required by the Uniform Guidance. Documenting the results of that evaluation is important to demonstrate that it was performed and can prevent audit related findings.

7. Which of the following is recommended by the Uniform Guidance as a factor that might be considered when making a risk-based evaluation of the proposed subrecipient's risk of noncompliance with Federal statutes, regulations and subaward terms and conditions? (select all that apply)

The subrecipient's prior experience with the same or similar subawards.

✓ CORRECT. This factor should be incorporated into your proposed subrecipient evaluation practices.

The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with [2 CFR 200 Subpart F—Audit Requirements](#), and the extent to which the same or similar subaward has been audited as a major program.

✓ CORRECT. This factor should be incorporated into your proposed subrecipient evaluation practices.

Whether the subrecipient has new personnel or new or substantially changed systems.

✓ CORRECT. This factor should be incorporated into your proposed subrecipient evaluation practices.

The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

✓ CORRECT. This factor should be incorporated into your proposed subrecipient evaluation practices.

Whether the subrecipient has an existing negotiated indirect cost agreement (NICRA) with a Federal agency as a result of prior direct awards from the agency.

✗ INCORRECT. A valid subrecipient NICRA may ease subaward administration but is not mentioned by the Uniform Guidance as an evaluation factor.

Pre-Subaward – Subaward Agreement Preparation and Modification

See [2 CFR 200.332-333](#)

8. Is subaward approval required by NSF?

YES

Correct. If the subaward was included in the proposal budget, the award letter should indicate if the subaward(s) was(were) approved or declined. If the decision to subaward part of a project is made after the prime award is issued, approval must be requested through [research.gov](#). Please ensure your organization obtains written approval for the subaward prior to issuing a subaward agreement with another organization.

NO

Incorrect. If the subaward was included in the proposal budget, the award letter should indicate if the subaward(s) was(were) approved or declined. If the decision to subaward part of a project is made after the prime award is issued, approval must be requested through [research.gov](#). Please ensure your organization obtains written approval for the subaward prior to issuing a subaward agreement with another organization.

9. Does your organization document how (i.e., sole source or competitive) and why a subrecipient is selected (i.e., what capability/quality does the subrecipient bring)?

YES Correct. Transparent documentation must be maintained, even if the subaward was approved in the proposal, to demonstrate that an objective decision was made.

NO Incorrect. A handshake or verbal agreement is not acceptable. Even if the selected subrecipient has a longstanding partnership with the pass-through entity or specific PI, documenting the process/rationale for selection may be useful in avoiding an audit finding. Transparent documentation must be maintained, even if the subaward was approved in the proposal, to demonstrate that a reasonable and objective decision was made.

10. Has your organization prepared written guidance for preparing and processing new subawards as well as modifying subawards?

YES Great. Written guidance promotes thoroughness and consistency.

NO NSF strongly recommends that organizations formally document and implement guidance which promotes thoroughness and consistency.

11. Do written subaward agreements at your organization contain all of the following?

A. Clear identification that the agreement is a subaward

B. Federal award Identification and:

- i. Subrecipient's name (which must match the name associated with its unique entity identifier);
- ii. Subrecipient's unique entity identifier;
- iii. Federal Award Identification Number (FAIN);
- iv. Federal Award Date (see [2 CFR 200.1 Definitions](#)) of award to the recipient by the Federal agency;
- v. Subaward Period of Performance (start and end date);
- vi. Amount of Federal funds obligated by this action by the pass-through entity to the subrecipient;
- vii. Total amount of Federal funds obligated to the subrecipient by the pass-through entity including the current obligation;
- viii. Total amount of the Federal award committed to the subrecipient by the pass-through entity;
- ix. Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
- x. Name of Federal awarding agency, pass-through entity, and contact information for the awarding official of the pass-through entity;
- xi. CFDA number and name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;
- xii. Identification of whether the award is R&D; and
- xiii. Indirect cost rate for the Federal award (including if the de minimis rate will be charged per [2 CFR 200.414 Indirect \(F&A\) costs](#)).

- C. All applicable requirements/terms/conditions (including record retention) imposed by the prime award flowed to subrecipient so that the award is implemented in accordance with Federal statutes, regulations and the terms and conditions of the Federal award;
- D. Any additional requirements that your organization imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports. For example, that subrecipients are required to retain award-related records for three years from the date of your organization's final expenditure report submission;
- E. An approved Federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government or, if no such rate exists, either a rate negotiated between your organization entity and the subrecipient (in compliance with this part), or a de minimis indirect cost rate as defined in 2 CFR 200.414 Indirect (F&A) costs, paragraph (f);
- F. A requirement that the subrecipient permit your organization, the Federal funding agency, and auditors to have access to the subrecipient's records and financial statements as necessary for your organization entity to meet the requirements of this part; and
- G. Appropriate terms and conditions concerning closeout of the subaward.

YES

Great, but are you sure? Each of these elements are required and there are quite a few. The best way to ensure all terms and conditions have been passed down to the subrecipient is to either include in the agreement a link to prime award terms and conditions and/or attach the prime award to the subaward agreement. Failure to include any of the required terms and conditions may result in confusion, lack of compliance, and/or poor performance. We recommend that you review your subaward template to ensure that each of the elements is included. Please keep in mind that if any of these data elements change, the changes should be updated through a subaward modification.

NO

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12. Does your organization document the results of the pre-award subrecipient risk assessment (e.g., subaward is determined to be “high”, “medium”, or “low” risk) and the monitoring plan to mitigate that risk (e.g., supporting documentation must be obtained for each invoice, PI must approve each invoice prior to payment, single audit or financial statements will be obtained and reviewed annually, or a site visit will be conducted in FY22)?

YES

Great. Pass-through recipients must document both that they understand the risk that they are taking as well as the activities they have taken to mitigate that risk. The risk analysis for each potential subrecipient must be documented to show the areas reviewed and the level of risk determined. Monitoring activities should be tailored to the designated risk level.

NO

Please reconsider. Pass-through recipients must document both that they understand the risk that they are taking as well as the activities they have taken to mitigate that risk. The risk analysis for each potential subrecipient must be documented to show the areas reviewed and the level of risk determined. Monitoring activities should be tailored to the designated risk level.

13. If, through your pre-award evaluation or from another source, your organization determines that the proposed subrecipient has a higher risk for noncompliance or identified deficiencies, are additional subaward conditions imposed to protect both your organization and the Federal funding?

YES

Great practice. As a pass-through you have an affirmative responsibility to safeguard the Government's funds and achieve the award programmatic objectives. Special conditions, as described in [2 CFR 200.208 Specific conditions](#), are one method of fulfilling your organizations stewardship responsibilities. Of course you should have written guidance describing your organizations approach to establishing special conditions.

NO

Please reconsider. As a pass-through you have an affirmative responsibility to safeguard the Government's funds and achieve the award programmatic objectives. Special conditions, as described in [2 CFR 200.208 Specific conditions](#), are one method of fulfilling your organizations stewardship responsibilities. Of course you should have written guidance describing your organizations approach to establishing special conditions.

14. If your organization issues a subaward with special conditions, those conditions should be in place for the period of performance for the award. (True or False)

TRUE

Not necessarily. Special conditions are exception based and must be promptly removed once the conditions that prompted them have been corrected by the subrecipient. Your organization must communicate to the subrecipient the nature of the additional requirements, the reason why the additional requirements are being imposed, the action(s) needed to remove the additional requirement, the time allowed for completing the actions, and the method for requesting reconsideration of the additional requirements imposed. The point is that the special conditions are not time-based; they should be in place as long as the original condition exists.

FALSE

If the underlying condition that resulted in the special condition being put in place is resolved. This is the best answer. Special conditions are exception based and must be promptly removed once the conditions that prompted them have been corrected by the subrecipient. Your organization must communicate to the subrecipient: the nature of the additional requirements, the reason why the additional requirements are being imposed, the action(s) needed to remove the additional requirement, the time allowed for completing the actions, and the method for requesting reconsideration of the additional requirements imposed. The point is that the special conditions are not time-based; they should be in place as long as the original condition exists.

Post-Subaward – Monitoring and Management

See [2 CFR 200.332](#) and [200.339-340](#)

15. Should your organization's subrecipient monitoring plan require review of subrecipients' Single Audit reports, if applicable?

Correct

Correct. If an awardee or subrecipient expends more than \$750,000 in aggregate during its fiscal year (all Federal sources of funding which could be direct awards from a Federal agency or federally-funded subawards), your organization is required to have a single audit conducted. Please also be sure to understand 200.332 Requirements for pass-through entities (d)(3) which pertains to management decisions related to single audits to ensure that you understand your responsibilities. Also, note that for-profit organizations are not subject to this single audit requirement, but a best practice would be to review the financial audit for any non-compliance issues.

NO

Incorrect. If your subrecipient expends more than \$750,000 in aggregate during its fiscal year (all Federal sources of funding which could be direct awards from a Federal agency or federally-funded subawards), your organization is required to get a single audit. Please also be sure to understand 200.332 Requirements for pass-through entities (d)(3) which pertains to management decisions related to single audits to ensure that you understand your responsibilities. For-profit organizations are not subject to this single audit requirement, but best practice would be to review the organization financial audit for any non-compliance/financial capability issues.

16. Pass-through entities have responsibilities for monitoring the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Which activities are mandated by the Uniform Guidance? (select all that apply)

- Conducting monitoring site reviews of higher risk subrecipients.
✗ INCORRECT. Site visits are a great monitoring tool and may be appropriate for your subrecipients, but they are not mandated by the Uniform Guidance.
- Reviewing financial and performance reports required by your organization.
✓ CORRECT.
- Following-up to ensure that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from your organization entity detected through audits, on-site reviews, and other means.
✓ CORRECT.
- Issuing a management decision for audit findings pertaining to the Federal subaward provided to the subrecipient from your organization.
✓ CORRECT, see [2 CFR 200.521](#) Management decision.

17. Your organization has identified issues through a subrecipient audit, on-site review, or other monitoring activity, e.g. questioned costs. Do you have written guidance on whether those issues necessitate adjustments to your own records?

- YES** Great. You are required to consider if adjustments are necessary and written guidance is best practice. For example, if the subrecipient has sustained questioned costs, your organization may need to adjust its financial grant records accordingly.
- NO** You are required to consider if adjustments are necessary and written guidance is best practice. For example, if the subrecipient has sustained questioned costs, your organization may need to adjust its financial grant records accordingly. We strongly encourage you to update and document your practices.

18. What are some typical monitoring activities that prime awardees can utilize for subrecipients? (select all that apply)

- Agency led, project-specific audit.
✗ INCORRECT. This is rare and would typically only be instituted if serious issues were identified through other means.
- Review of subrecipient single audits or audited financial statements to verify that subrecipient doesn't have notable accounting/financial deficiencies.
✓ CORRECT.
- Review and approval for subrecipient invoices to verify that invoiced items have been completed and that the project is completed satisfactorily and on time.
✓ CORRECT.
- Desk review or site visit by prime awardee to the subrecipient.
✓ CORRECT.
- Review of programmatic reports of progress periodically (monthly, quarterly, annually).
✓ CORRECT.
- Frequent communication between prime awardee PI and the subrecipient PI to discuss any delays, concerns, or issues that have come up.
✓ CORRECT.
- FISMA-standard IT audits.
✗ INCORRECT. These types of audits are only performed for Federal agencies.

19. A subrecipient is noncompliant with Federal regulations, statutes, agency-specific guidance, or subaward terms and conditions and you haven't been able to fix it. What are some actions that your organization might consider? (select all that apply)

- Termination.
This is a possibility, but typically a last resort, for serious issues or when all other approaches fail. The pass-through entity is responsible for ensuring subrecipient compliance. The pass-through entity also has the option to recommend debarment/suspension actions to the federal awarding agency.
- Temporarily withhold cash payments or advances.
 CORRECT. This action is meant to be temporary and subaward activities may continue until the compliance issue is resolved. The pass-through entity is responsible for ensuring subrecipient compliance. For uncommon, particularly egregious situations your organization may find the need to go straight to termination.
- Consider special conditions or enforcement actions.
 CORRECT. Special conditions are often an early step in attempting to resolve compliance issues. See [2 CFR 200.208 Special Conditions](#) for more information. The pass-through entity is responsible for ensuring subrecipient compliance. If this action fails, enforcement actions can be taken. For uncommon, particularly egregious situations your organization may find the need to go straight to termination.
- Additional monitoring/business assistance activities.
 CORRECT. Additional monitoring or business assistance are often the first step in resolving compliance issues. Remember, the pass-through entity is responsible for ensuring subrecipient compliance. If the compliance is not resolved promptly, pass-through entities must consider stronger enforcement actions. For uncommon, particularly egregious situations your organization may find the need to go straight to termination.
- Recommend to the Federal agency the initiation of suspension or debarment proceedings.
This is a possibility but, with termination, typically a last resort when all other approaches fail.

Post-Subaward – Reporting Requirements

See [2 CFR 200.344](#)

20. Does your organization report, and have written guidelines for, subaward financial activity and executive compensation as required by FFATA as codified by 2 CFR 170 Reporting Subaward and Executive Compensation Information?

- YES** Great news! Pass-through entities are required to report subawards that exceed \$30,000 by value, as awarded or amended, through the Federal Subaward Reporting System. Compliance with these reporting requirements is increasingly focused on by auditors and has recently been included in the Compliance Supplement for Single Audits.
- NO**

Pass-through entities are required to report subawards that exceed \$30,000 by value, as awarded or amended, through the Federal Subaward Reporting System. Compliance with these reporting requirements is increasingly focused on by auditors and has recently been included in the Compliance Supplement for Single Audits. We strongly encourage your organization to implement processes to ensure compliance with this requirement and to document your processes to ensure consistency.

21. Are pass-through entities responsible for reporting on subrecipient activities in annual and final project reports to NSF?

- YES** Correct. The NSF GC-1, NSF Research Terms and Conditions, and CA-FATC require that pass-through entities include subaward activities in annual project reports that are submitted to NSF.
- NO** Incorrect. The NSF GC-1, NSF Research Terms and Conditions, and CA-FATC require that pass-through entities include subaward activities in annual project reports that are submitted to NSF.

Subaward Closeout

See [2 CFR 200.344](#)

22. Does your organization have a documented process for closing subawards?

YES

Great news! Having a formal closeout process provides time to reflect on programmatic performance and lessons learned as well as to ensure that programmatic obligations, financial obligations, and required reporting have been completed.

NO

Although not required, having a formal closeout process provides time to reflect on programmatic performance and lessons learned as well as to ensure that programmatic obligations, financial obligations, and required reporting have been completed. We encourage you to develop a closeout process and to prepare written guidance.

23. How long does a subrecipient have to submit final financial reporting and closeout the subaward?

60 days

✘ INCORRECT. The Uniform Guidance stipulates that, while the prime awardee has 120 days to financially close out the award and provide final reporting to the funding Federal agency, the subrecipient only has 90 days.

90 days

✔ CORRECT. The Uniform Guidance stipulates that, while the prime awardee has 120 days to financially close out the award and provide final reporting to the funding Federal agency, the subrecipient only has 90 days.

120 days

✘ INCORRECT. The Uniform Guidance stipulates that, while the prime awardee has 120 days to financially close out the award and provide final reporting to the funding Federal agency, the subrecipient only has 90 days.