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
   NO

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

   TRUE
   FALSE

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.
   - Has a longstanding relationship or substantive experience implementing grants similar to the proposed scope of work.
   - Has its performance measured in relation to whether objectives of a federal program were met.
   - Has responsibility for programmatic decision making.
   - Is responsible for adherence to applicable Federal program requirements specified in the Federal award.
   - 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.
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.
- Normally operates in a competitive environment.
- Contracts are easier to monitor.
- Recipient preference.
- Provides goods or services that are contribute and support the operation of the Federal program.
- Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

5. Are fixed amount subawards ever appropriate?

- YES
- NO

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
- NO
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.
- 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.
- Whether the subrecipient has new personnel or new or substantially changed systems.
- The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).
- 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.

Pre-Subaward – Subaward Agreement Preparation and Modification

See 2 CFR 200.332-333

8. Is subaward approval required by NSF?

- YES
- NO

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
- NO

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

- YES
- NO

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.

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)?

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?

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

YES

NO

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.

○ Reviewing financial and performance reports required by your organization.

○ 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.

○ Issuing a management decision for audit findings pertaining to the Federal subaward provided to the subrecipient from your organization.

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

NO

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

○ Agency led, project-specific audit.

○ Review of subrecipient single audits or audited financial statements to verify that subrecipient doesn’t have notable accounting/financial deficiencies.

○ Review and approval for subrecipient invoices to verify that invoiced items have been completed and that the project is completed satisfactorily and on time.

○ Desk review or site visit by prime awardee to the subrecipient.
Review of programmatic reports of progress periodically (monthly, quarterly, annually).

Frequent communication between prime awardee PI and the subrecipient PI to discuss any delays, concerns, or issues that have come up.

FISMA-standard IT audits.

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.
  
  ○ Temporarily withhold cash payments or advances.
  
  ○ Consider special conditions or enforcement actions.
  
  ○ Additional monitoring/business assistance activities.
  
  ○ Recommend to the Federal agency the initiation of suspension or debarment proceedings.

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
  
  NO

21. Are pass-through entities responsible for reporting on subrecipient activities in annual and final project reports to NSF?
  
  YES
  
  NO
Subaward Closeout

See 2 CFR 200.344

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

YES

NO

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

- 60 days
- 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.

CORRECT.

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