

**ALCOHOL, DRUG ADDICTION AND MENTAL HEALTH SERVICES
BOARD OF CUYAHOGA COUNTY (ADAMHS BOARD)**

POLICY STATEMENT

SUBJECT: SUBRECIPIENT MONITORING FOR FEDERAL GRANTS POLICY

EFFECTIVE DATE: May 24, 2023

PURPOSE

To ensure that the ADAMHS Board monitors programmatic and financial activities of its subrecipients in order to assure proper stewardship of Federal awards.

BACKGROUND

The Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR 200 (Uniform Guidance), sets forth standards for obtaining consistency and uniformity in organizations expending Federal awards. In instances where the award recipient subcontracts with another organization to perform duties required or necessitated by the award, the award recipient is considered to be a pass-through entity. As a pass-through entity, the award recipient has monitoring obligations to ensure that a subrecipient uses the subaward for authorized purposes and that the goals of the award are achieved.

POLICY

It is the policy of the ADAMHS Board that it will adhere to regulations set forth in Uniform Guidance, sections 2 CFR 200.331 and 200.332, by performing a risk assessment prior to issuing a subaward and implementing risk-based monitoring activities accordingly to provide reasonable assurance that a subrecipient will administer the subaward for authorized purposes only and achieve the programmatic goals.

PROCEDURE

Subrecipient vs. Contractor: The ADAMHS Board will make a determination as to whether the entity that receives a subaward is a subrecipient or contractor.

- A subrecipient is a non-Federal entity that received a subaward from a pass-through entity to carry out a part of a Federal award and subject to compliance requirements under Uniform Guidance.
- A contractor is a non-Federal entity that provides goods and services ancillary to the Federal award and not subject to compliance requirements under Uniform Guidance.

Pre-award Risk Assessment of a Subrecipient: Before making a subaward to a subrecipient, the ADAMHS Board will evaluate the subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring, which may include consideration of such factors as:

- The total amount of the award;
- The type of organization (i.e., government, nonprofit, or for-profit);
- The subrecipient's prior experience with the same or similar subawards with the ADAMHS Board;
- Whether the subrecipient has an exclusionary record that identifies it being excluded from receiving Federal contracts or any other issues identified in the System for Award Management (SAM.gov);
- The results of previous audits, including whether or not the subrecipient receives a Single


- Audit, and the extent to which the same or similar subaward has been audited; and
- Whether the subrecipient has new personnel, or new or substantially changed systems.

Ongoing Risk-Based Monitoring: Based on the pre-award risk assessment of the subrecipient, the ADAMHS Board will implement a risk-based monitoring plan which may include the following:

- Review of invoices and supporting documents to show that costs are supported by adequate documentation such as detailed transaction reports, vendor invoices, canceled checks, time and attendance records, and etc. to ensure:
 - Invoices are submitted in a timely manner, generally within 90 days;
 - Invoices are within the budgeted time period;
 - Expenses on invoices are within the awarded budget and are reasonable, allocable, and allowable;
 - Current and cumulative expenses invoiced to date are correct, including the indirect cost rate; and
 - Cost sharing requirements are met and accurate, if applicable;
- Review of program reports to ensure that programmatic goals of the Federal award are being met;
- Periodic meetings to discuss implementation of programmatic goals;
- Impose specific subaward conditions;
- Provide training and technical assistance on program related and invoice related matters;
- Perform on-site review(s);
- Issue a Corrective Action Plan (CAP) for any substantial programmatic and financial issues;
- Follow-up and ensure the subrecipient takes action to address deficiencies found through audits, onsite reviews, and other means; and
- If substantial programmatic and financial issues remain in implementation of the programmatic goals, the ADAMHS Board may recommend termination of the contract to its Board of Directors.

Supersedes and retires: Not Applicable

Reference: 2 CFR 200.331 - 332

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J. Robert Fowler, Ph.D.
 ADAMHS Board Chair

May 24, 2023

Approval Date

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Scott S. Osiecki
 ADAMHS Board Chief Executive Officer

May 2026

Review Date