

AMERICAN RESCUE PLAN ACT

SUBRECIPIENT MONITORING



August 25, 2022

AGENDA

- Introduction
- ARPA Overview
- Subrecipient Monitoring
- Resources



INTRODUCTION

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ARPA/SLFRF OVERVIEW

- American Rescue Plan Act (ARPA) - signed into law on March 11, 2021
- Established the Coronavirus State and Local Fiscal Recovery Fund (SLFRF)
- Marion County was directly allocated \$67,559,569 for the SLFRF program
- Purpose is to provide support to State, territorial, local, and Tribal governments in **responding to the economic and public health impacts of COVID-19** and in their efforts to contain impacts on their communities, residents, and businesses.
- Board of Commissioners held meetings in summer and fall of 2021 to determine needs of community
- Application process and work session with the Board to ultimately award the funds
- Most awards were executed by June/July 2022
- Awards to Cities are considered Subrecipient Agreements



SUBRECIPIENT MONITORING

Definitions

Monitoring Responsibilities

Policies



SUBRECIPIENT DEFINITION (2 CFR 200.1)

A subrecipient is a non-federal entity that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.



SUBRECIPIENT MONITORING

When the county uses a subrecipient for the purpose of carrying out a portion of a Federal Award, the county must perform the following monitoring activities:

- a. Ensure the subaward includes the required information as defined in Section 200.331 (a) under the Uniform Guidance;
- b. Evaluate the subrecipient's risk of noncompliance with federal statutes, regulations and terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring;
- c. Monitor the activities of the subrecipient as necessary to ensure the subaward is used for authorized purposes, is in compliance with federal regulations and goals are achieved as defined by the subaward;



SUBRECIPIENT MONITORING — CONTINUED

- d. Verify that the subrecipient is audited as required by the Uniform Guidance, Subpart F – Audit Requirements, and consider the results of those audits that might necessitate further action. If an audit is not required, ensure adequate documentation is obtained for the reason and is appropriate;
- e. Provide other monitoring as determined necessary by the risk assessment or the Federal Award Agreement; and
- f. Take enforcement action on noncompliant subrecipients



SUBRECIPIENT MONITORING - REQUIREMENTS

- a. Ensure the subaward includes the required information as defined in Section 200.331 (a) under the Uniform Guidance

1. Federal Award Identification	
(i) Subrecipient Name:	City of XXXX
(ii) Unique Entity ID #:	INSERT UEI
(iii) Federal Award Identification Number (FAIN):	
(iv) Federal Award Date:	3/11/2021
(v) Subaward Period of Performance (Start & End Date):	3/3/21 - 12/31/26
(vi) Amount of Federal Funds Obligated by this Agreement:	
(vii) Total Amount of Federal Funds Obligated to Subrecipient by Pass-Through Entity (PTE), including this agreement:	\$2,500,000
(viii) Total Amount of Federal Award committed to Subrecipient by PTE:	\$2,500,000
(ix) Federal Award Project Description:	2-Negative Economic Impacts: Long-Term Housing Security
(x) Identify the following:	
a) Federal awarding agency	U.S. Treasury
b) Pass-Through Entity,	Marion County, Oregon
c) Contact info for awarding official:	Jan Fritz, CAO
(xi) Identify Program Information	
a) Assistance Listing #:	21.027
b) Program Name:	Coronavirus State and Local Fiscal Recovery Funds
c) Is the award Research & Development? (Yes/No)	No
d) Indirect Cost Rate for Federal award:	None
2. Subrecipient Indirect Cost Rate	
Indirect cost rate passed through to subrecipient:	N/A
3. Additional Requirements or Comments (if any)	
Monitoring Requirements are included in Section 15 of this agreement.	

¹Subrecipient will comply with Federal statutes, regulations and terms and conditions of the Federal award in accordance with 2 CFR 200.331 (a)(2). Subrecipient will permit the pass-through entity and auditors to have access to subrecipient's records and financial statements as necessary for the PTE to meet requirements of 2 CFR 200.331 (a)(5). Subrecipient will also permit the pass-through entity to have access to subrecipient's records for monitoring the activities of the subrecipient, as necessary, to ensure that the subaward is used for the authorized purposes. Such monitoring will include reviewing the financial and performance reports required by the pass-through entity as well as following up and ensuring the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient in order to meet the requirements of 2 CFR 200.331(d).

SUBRECIPIENT MONITORING – RISK ASSESSMENT

b. Evaluate Subrecipient's Risk of Noncompliance

Risk letter mailed to subrecipients of risk rating for initial and on-going monitoring requirements based upon section 15 of your contract.

Insert Organization Name

Address

XXXX, OR 97301

Dear NAME:

Congratulations on your award of American Rescue Funds Act funds. While in the initial phase of the application process, Marion County grants team performed an internal risk assessment based upon criteria identified through the following areas; program administrative experience, system of award management, financial statement audits, single audit (as applicable), and/or audit deficiencies. Once the internal assessment had been completed, a questionnaire was emailed to your organization, to be completed which focused on the following areas; experience, monitoring/audit, operational, financials, your organizations end of year financial statement, prior year single audit (single audit deficiencies (as applicable)), internal controls, compliance and project management and property and capital projects management. Based upon our internal assessment and your submitted questionnaire assessment, Marion



SUBRECIPIENT MONITORING - REQUIREMENTS

c. Monitor Subrecipient's activities and compliance with federal award

Objective

- **Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, complies with the terms and conditions of the subaward, and achieves performance goals**

Increased risk from risk assessment = increased monitoring



SUBRECIPIENT MONITORING – DURING THE AWARD MONITORING

Desk monitoring

- Answering Technical Questions
- Reviewing Disbursement Requests for adequate documentation
- Reviewing Bid documents and RFP's prior to procurement process

On-site monitoring

- Reviewing internal controls, policies & procedures, staff knowledge of federal program
- Reviewing accounting controls, reimbursement process & documentation, revenue and expenditure tracking
- Reviewing procurement history and files
- Reviewing cash controls – intake of receipts, bank reconciliations, recording deposits, payment process, etc.
- Reviewing time tracking and documentation



SUBRECIPIENT MONITORING – SINGLE AUDIT REQUIREMENTS *(AS APPLICABLE)*

d. Obtain and review subrecipient's single audit report (SEFA)

County will send out Subrecipient Audit Inquiry Letter

- **Inquire with Subrecipient on whether organization received a Single Audit (audit of federal awards)**
 - **Based upon amount received/expended**

- **Timeframe for subrecipient inquiry – April/May/June**
 - **SEFA Audit for government – are required to be completed nine months after the end of the audit period (March 31st)**



SUBRECIPIENT MONITORING – SINGLE AUDIT REQUIREMENTS *(CONTINUED)*

If Single Audit was required, County will review audit report for the following:

- Findings – Material Weakness, Significant Deficiency, Noncompliance, Questioned Costs
- If findings – follow up to ensure subrecipient takes timely and appropriate action on all deficiencies related to federal awards
- Issue grants management decision for audit findings pertaining to federal award issued to subrecipients (2 CFR 200.521 (c))



SUBRECIPIENT MONITORING – POLICIES (ARPA)

e. Provide other monitoring as determined necessary by the risk assessment or the Federal Award Agreement

Conflict of Interest (2 CFR 200.318(C)(1))

- The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.

Marion County – Federal Awards Administration and Definition



SUBRECIPIENT MONITORING – POLICIES (ARPA), *CONTINUED*

Civil Rights Compliance (Nondiscrimination)

- **Entities receiving Federal financial assistance from the Treasury do not deny benefits or services, or otherwise discriminate on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with the following authorities: Title VI of the Civil Rights Act of 1964 (Title VI) Public Law 88-352, 42 U.S.C. 2000d-1 et seq., and the Department's implementing regulations, 31 CFR part 22; Section 504 of the Rehabilitation Act of 1973 (Section 504), Public Law 93-112, as amended by Public Law 93-516, 29 U.S.C. 794; Title IX of the Education Amendments of 1972 (Title IX), 20 U.S.C. 1681 et seq., and the Department's implementing regulations, 31 CFR part 28; Age Discrimination Act of 1975, Public Law 94-135, 42 U.S.C. 6101 et seq., and the Department implementing regulations at 31 CFR part 23.**



SUBRECIPIENT MONITORING – POLICIES (ARPA), *CONTINUED*

- Procurement Procedures or Process (200.318-.326)
- Allowable Costs (200.302(b)(7))

Others (Maybe not required, but a good idea???)

- Financial Management (200.302)
- Internal Controls over Federal Awards (200.303)
- Payment on Federal Awards (200.302(b)(6)), 200.305)
 - NA for ARPA, but required for other Federal Awards



SUBRECIPIENT MONITORING – NONCOMPLIANCE SUBRECIPIENTS

f. Take enforcement action on noncompliant subrecipients

200.331 (h), Pass-through (Marion County) must consider taking enforcement action based on noncompliance, including:

- Temporarily withholding cash payments pending correction
- Disallowing all or part of the cost
- Wholly or partially suspending the award
- Recommending suspension/debarment to federal awarding agency
- Withholding future federal awards
- Other remedies that may be legally available



RECAP OF RESPONSIBILITIES

County's responsibility as a pass-through entity:

1. Communicating the federal award information and applicable requirements
2. Evaluate Subrecipient's Risk of Noncompliance
3. Monitor Subrecipient's activities and compliance with federal award
4. Obtain and review Subrecipient's audit report

Cities responsibility as a subrecipient:

1. Execute Award in compliance with applicable laws and regulations
2. Ensure required policies and procedures are in place
3. Report federal expenditures annually on the Schedule of Expenditures of Federal Awards (SEFA)
4. Obtain Annual Single Audit if expended \$750,000 or more in federal funds



QUESTIONS



arparecovery@co.marion.or.us



RESOURCES

- [State and Local Fiscal Recovery Funds \(ARPA\) \(marion.or.us\)](https://www.co.marion.or.us/BOC/Pages/fiscalrecoveryfunds.aspx)

https://www.co.marion.or.us/BOC/Pages/fiscalrecoveryfunds.aspx

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Home / Board of Commissioners / State and Local Fiscal Recovery Funds (ARPA)

State and Local Fiscal Recovery Funds (ARPA)

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- Board of Commissioners
- Current Board Session Agenda
- Prior Board Sessions
- Management Update
- Public Records Requests
- Public Safety Coordinating Council
- Marion County Housing Initiative
- Veteran Services
- News, Meetings & Events
- Administrative Policies & Procedures
- State and Local Fiscal Recovery Funds (ARPA)**
- Community Development

State and Local Fiscal Recovery Funds (ARPA)

In response to the on-going COVID-19 Pandemic, the American Rescue Plan Act (ARPA) was signed into law on March 11, 2021 and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds, which together make up the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program. This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

As an eligible recipient of the SLFRF Funds, Marion County has been allocated \$67,559,569 for the SLFRF program and is required to comply with the U.S. Department of Treasury federal compliance and reporting guidance. (Interim Final Rule (31 CFR Part 35), SLFRF Compliance and Reporting Guidance, and the Uniform Guidance (2 CFR Part 200)). These guidelines establish various reporting requirements, including quarterly Project and Expenditure Reports and an annual Recovery Plan Performance Report. Required reports and approved projects will be posted to this site.

Recovery Plan Performance Reports

- [Initial Recovery Plan Performance Report - August 31, 2021](#)
- [Recovery Plan Performance Report - June 30, 2022](#)

Eligible Categories for Funding	Description
1. Public Health	SLFRF award funds may be used to provide assistance to households, small businesses, and nonprofits to respond to the public health emergency or negative economic impacts of the pandemic.
2. Economic Stimulus Payments	SLFRF award funds may be used to respond to the



RESOURCES

■ NEW DASHBOARD MAP!!!!

