



# Federal Award Readiness Self-Assessment

## Introduction

The goal of the Federal Award Readiness Self-Assessment (FARSA) is to aid recipients in ensuring that they have adequate policies and written procedures in place in order to successfully manage a Federal award.

Acceptance of a Federal award creates a legal duty for the recipient to use Federal funds prudently and in compliance with Federal statutes, regulations, and the terms and conditions of the award. Recipients are required to have financial management and accounting systems that meet the requirements of the [Uniform Administrative Requirements, Cost Principles, and Audit Requirements](#) for Federal awards. The recipient is responsible for ensuring their organization has adequate policies and written procedures for the management of a Federal award within its overall management structure and internal control environment.

The FARSA outlines the specific requirements stated in [2 CFR 200 Subpart D—Post Federal Award Requirements](#) and provides the recipient with questions to help them determine if their existing policies and written procedures are adequate for them to effectively administer a Federal award. The FARSA addresses the following specific sections of [2 CFR § 200, Subpart D](#):

- **Standards for Financial and Program Management (2 CFR § 200.300 – § 200.309)**
- **Property Standards (2 CFR § 200.310 – § 200.316)**
- **Procurement Standards (2 CFR § 200.317 – § 200.327)**
- **Performance and Financial Monitoring and Reporting (2 CFR § 200.328 – § 200.330)**
- **Subrecipient Monitoring and Management (2 CFR § 200.331 – § 200.333)**
- **Records Retention and Access (2 CFR § 200.334 – § 200.338)**
- **Closeout (2 CFR § 200.344)**

**For-Profit Recipients, please note:** [2 CFR § 910, Subpart D](#) outlines the Post Award Federal Requirements for For-Profit Entities. [2 CFR § 910.350](#) explains the applicability of the Department of Energy specific financial assistance regulations found at [2 CFR § 910](#) and states that “the definition of Non-Federal entity found in 2 CFR 200.1 is expanded for DOE to include for-profit organizations.” Any 2 CFR § 910 specific guidance is [highlighted](#) in the document below.

*Disclaimer: The guidance provided below highlights areas of compliance typically required of recipients of Federal assistance awards. It is not intended to fully document all requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200 or 2 CFR § 910.*

# STANDARDS FOR FINANCIAL AND PROGRAM MANAGEMENT

## Statutory and National Policy Requirements

The non-Federal entity is responsible for complying to the provisions of the Federal Financial Accountability and Transparency Act (FFATA). (Sources: [2 CFR §170](#))

Recipients and subrecipients are responsible for establishing a Unique Entity Identifier (UEI) for Federal financial assistance at [www.SAM.gov](http://www.SAM.gov). (Source: [2 CFR § 25](#))

The recipient and subrecipient must inform their employees in writing of employee whistleblower rights and protections per statutory requirements. (Sources: [2 CFR § 200.217](#), [10 U.S.C. 4701](#), [41 U.S.C. 4712](#), [41 U.S.C. 4304](#), and [10 U.S.C. 4310](#))

### Questions/Focus Areas

- Does our organization have written policies/procedures that include a documented process to report Executive Compensation and the requirements implementing the Federal Financial Accountability and Transparency Act (FFATA)?
- Does our organization have a Unique Entity Identifier (UEI) for Federal financial assistance that was established at [www.SAM.gov](http://www.SAM.gov)?
- Does our organization have written policies/procedures and a documented process for whistleblower protections?
- Does our organization have documented policies and procedure to highlight how confidential expressions of concern about fraud, waste, or abuse can be made without fear of reprisal?

## Financial Management Systems

All recipient and subrecipients are responsible for maintaining records that document compliance with Federal statutes, regulations, and terms and conditions of the Federal award. (Source: [2 CFR § 200.302\(a\)](#))

All recipient and subrecipient financial management systems must be sufficient to permit the preparation of reports required by the terms and conditions. (Source: [2 CFR § 200.302\(a\)](#))

All recipient and subrecipient financial management systems must be able to track expenditures to establish that funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award. (Source: [2 CFR § 200.302\(a\)](#))

The recipient's and subrecipient's financial management system must be able to identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number, year the Federal award was issued, and name of the Federal agency or pass-through entity. (Source: [2 CFR § 200.302\(b\)\(1\)](#))

The recipient's and subrecipient's financial management system must provide for accurate, current, and complete disclosure of financial results of each Federal award or program in accordance with the reporting requirements set forth in [2 CFR § 200.328](#) Financial Reporting, and [2 CFR § 200.329](#) Monitoring and reporting program performance. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number, year the Federal award was issued, and name of the Federal agency or pass-through entity. (Sources: [2 CFR § 200.302\(b\)\(2\)](#), [2 CFR § 200.328](#), [2 CFR § 200.329](#))

The recipient's and subrecipient's financial management system must maintain records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest.

All records must be supported by source documentation. (Sources: [2 CFR § 200.302\(b\)\(3\)](#), [2 CFR § 200.334](#), [2 CFR § 200.335](#), [2 CFR § 200.336](#), [2 CFR § 200.337](#), and [2 CFR § 200.338](#))

The recipient's and subrecipient's financial management system must have effective control over, and accountability for, all funds, property, and other assets. The recipient or subrecipient must safeguard all assets and assure that they are used solely for authorized purposes. (Sources: [2 CFR § 200.302\(b\)\(4\)](#), [2 CFR § 200.303](#))

The recipient and subrecipient must compare Federal expenditures with budget amounts for each Federal award. (Source: [2 CFR § 200.302\(b\)\(5\)](#))

The recipient and subrecipient must have written procedures to implement the requirements of [2 CFR § 200.305](#) Federal Payment. (Sources: [2 CFR § 200.302\(b\)\(6\)](#), [2 CFR § 200.303](#), [2 CFR § 200.305](#))

The recipient and subrecipient must have written procedures for determining the allowability of costs in accordance with 2 CFR 200 Subpart E – Cost Principles and the terms and conditions of the Federal award. (Sources: [2 CFR § 200.302\(b\)\(7\)](#), [2 CFR 200 Subpart E -Cost Principles](#))

## Questions/Focus Areas

- Does our organization's financial management system maintain records that document compliance with Federal statutes, regulations, and terms and conditions of the Federal award?
- Does our organization's financial management system permit the preparation of reports required by the award terms and conditions?
- Does our organization's financial management system track expenditures to establish that funds have been used in accordance with Federal statutes, regulations, and the terms and conditions of the Federal award.
- Does our organization's financial management system identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received? (i.e., the Assistance Listings title and number, Federal award identification number, year the Federal award was issued, and name of the Federal agency or pass-through entity)
- Does our organization's financial management system provide for accurate, current, and complete disclosure of financial results of each Federal award or program in accordance with the reporting requirements set forth in [2 CFR § 200.328](#) Financial Reporting and [2 CFR § 200.329](#) monitoring and reporting program performance?
- Does our organization's financial management system maintain records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards? Do the records contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest? Are the records must be supported by source documentation?
- Does our organization's financial management system have effective control over and account for, all funds, property, and other assets?
- Does our organization have policies/procedures and a written process in place documenting safeguards of all assets and assurance that assets are used solely for authorized purposes?
- Does our organization's financial management system compare Federal expenditures with budget amounts for each Federal award?

- Does our organization have policies/procedures and a written process in place documenting how the requirements of [2 CFR § 200.305](#) Federal Payment are implemented?
- Does our organization have policies/procedures and a written process in place documenting how allowability of costs is determined in accordance with [2 CFR 200 Subpart E – Cost Principles](#) and the award terms and conditions?

## Internal Controls

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The recipient and subrecipient is responsible for establishing and maintaining effective internal control over the Federal award that provides reasonable assurance that the recipient and subrecipient is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

(Source: [2 CFR § 200.303\(a\)](#))

These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

(Sources: [Standards for Internal Control in the Federal Government](#), [Internal Control Integrated Framework](#))

The recipient and subrecipient must comply with the U.S. Constitution, Federal statutes, regulations, and the the terms and conditions of the Federal award. (Source: [2 CFR § 200.303\(b\)](#))

The recipient and subrecipient must evaluate and monitor their compliance with statutes, regulations, and terms and conditions of Federal awards. (Source: [2 CFR § 200.303\(c\)](#))

The recipient and subrecipient must take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings. (Source: [2 CFR § 200.303\(d\)](#))

The recipient and subrecipient must take reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information. This also includes information the Federal agency or pass-through entity designates as sensitive or other information the recipient or subrecipient considers sensitive and is consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality. (Source: [2 CFR § 200.303\(e\)](#))

## Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place documenting how we establish and maintain effective internal controls over Federal awards?
- Are our organization’s internal controls in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission?
- Does our organization have policies/procedures and a written process in place to ensure adequate internal controls over, and accountability for, all funds, property, and other assets?
- Does our organization have policies/procedures and a written process in place documenting how all assets purchased for or allocated to an award are only used for authorized purposes under the award?
- Does our organization have policies/procedures and a written process in place to ensure compliance with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal award?
- Does our organization have policies/procedures and a written process in place documenting how compliance with statutes, regulations, and award terms and conditions of Federal awards is evaluated and monitored?

- Does our organization have policies/procedures and a written process in place documenting how prompt action is taken when instances of noncompliance are identified, including noncompliance identified in audit findings?
- Does our organization have policies/procedures and a written process in place documenting how protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive, or the non-Federal entity considers sensitive is safeguarded?

## Federal Payment

Reimbursement is the preferred method of payment for all DOE awards for all types of organizations; and almost all OCED's recipients will be paid using the reimbursement method. In cases where an advance payment is requested, DOE must determine if the entity has met all requirements for advance payments prior to OCED agreeing to the request.

- The recipient and subrecipient must ensure payment methods minimize the time elapsing between the transfer of funds from the Federal agency or the pass-through entity and the disbursement of funds by the recipient or subrecipient regardless of whether the payment is made by electronic funds transfer or by other means. (Sources: [2 CFR § 200.305\(b\)](#), [2 CFR § 200.305\(b\)\(6\)](#))
- If the recipient or subrecipient requests advance payments of Federal awards, the request must be limited to the minimum amounts needed and be timed with actual, immediate cash requirements of the recipient or subrecipient in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the recipient or subrecipient for direct program or project costs and the proportionate share of any allowable indirect costs, and the recipient or subrecipient must make timely payments to contractors in accordance with the contract provisions. Furthermore, the recipient or subrecipient is responsible for ensuring they maintain advance payments in interest-bearing accounts. (Source: [2 CFR § 200.305\(b\)\(1\)](#)) The government, for example, could limit the advance payment to three business days.
- In the event of advance payments, the recipient or subrecipient must also maintain all interest on advance payments deposited into interest bearing accounts, unless an exception from [2 CFR 200.305\(b\)\(11\)](#) applies. The non-Federal entity must remit any interest on advance payments that exceeds \$500 per year to the Department of Health and Human Services. (Sources: [2 CFR § 200.305\(b\)\(11\)](#) and [2 CFR § 200.305\(b\)\(12\)](#))

For-Profit Recipients are an exception to [2 CFR §200.305\(b\)\(1\)](#) which requires that non-Federal entities be paid in advance as long as certain conditions are met. (Source: [2 CFR § 910.354\(a\)](#))

For For-Profit Recipients who are paid directly by the Department of Energy, reimbursement is the preferred method of payment. Under the reimbursement method of payment, the Federal awarding agency must reimburse the non-Federal entity for its actual cash disbursements. When the reimbursement method is used, the Federal awarding agency must make payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency reasonably believes the request to be improper. (Source: [2 CFR § 910.354\(b\)](#))

## Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place documenting how payment methods minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the organization?
- Does our organization have policies/procedures and a written process in place documenting how advance payments are maintained in an interest-bearing account (if applicable)?
- Does our organization have policies/procedures and a written process in place documenting how interest on advance payments deposited into interest bearing accounts is tracked (if applicable)?

- Does our organization have policies/procedures and a written process in place documenting how interest on advance payments that exceeds \$500 per year is remitted to the U.S. Department of Health and Human Services (HHS) on at least an annual basis (if applicable)?

- Does our organization have policies/procedures and a written process in place documenting how invoices are submitted and/or payment requests are made to Federal awarding agencies for reimbursement and are adequate segregation of duties for the payment request provided?

**PLEASE NOTE:** If payment requests are on a reimbursement basis, the request must be based on costs supported by your financial management system, as well as the adequate supporting documentation (i.e., canceled checks, paid bills, payrolls, time and attendance records, and contract and subgrant award documents).

## Cost Sharing or Matching

Recipients and subrecipients are responsible for tracking and documenting matching contributions to include cash, third party in-kind contributions, and property. (Source: [2 CFR § 200.306](#))

Costs claimed as Cost Sharing must meet the following criteria to be claimed on a Federal award:

- Be verifiable from recipient's or subrecipient's records;
- Not be included as contributions for any other Federal award;
- Be necessary and reasonable for achieving the objectives of the Federal award;
- Be allowable under the applicable cost principles;
- Not be paid by the Federal Government under another Federal award, except where the program's Federal authorizing statute specifically provides that Federal funds made available for the program can be applied to cost sharing requirements of other Federal programs;
- Be provided for in the approved budget when required by the Federal awarding agency; and
- Conform to other provisions of [2 CFR § 200.306](#), as applicable. (Source: [2 CFR § 200.306\(b\)](#))

The recipient or subrecipient should have policies or written procedures to provide guidance to employees in determining the value of contributions counted for Cost Sharing when the costs claimed are based on contributions of services and property, donated property, etc. (Source: [2 CFR § 200.306](#))

## Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place to track and monitor matching contributions (i.e., cash, third party in-kind contributions, and property)?
- Does our organization have policies/procedures and a written process in place documenting how separate accounts, sub-accounts, or a specific project code are established upon execution of the award to track and document cost share and/or matching contributions?
- Does our organization have policies/procedures and a written process in place documenting how matching contribution accounts/sub-accounts are monitored throughout the life of the award to ensure the consistent treatment of cost share and/or matching contributions?
- Does our organization have policies/procedures and a written process in place to provide guidance to employees in determining the value of volunteer services, donated property, or other instances where value must be determined?



- Does our organization have policies/procedures and a written process in place to ensure that cost sharing meets the following criteria:
  - Verifiable and supported from the recipient's or subrecipient's records;
  - Not included as contributions for any other Federal award;
  - Necessary and reasonable for achieving the objectives of the Federal award;
  - Allowable under the applicable cost principles;
  - Not paid by the Federal government under another award, except where the program's Federal authorizing statute specifically provides that Federal funds made available for the program can be applied to cost sharing requirements of other Federal programs;
  - Provided for in the approved award budget; and
  - Conform to other provisions of Uniform Guidance, [2 CFR § 200.306](#), as applicable.

## Program Income

Program Income means gross income earned by a recipient or subrecipient that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance except as provided in [2 CFR § 200.307 \(c\)](#). Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts, and interest earned on any of them. (Source: [2 CFR § 200.1 Program Income](#))

The recipient or subrecipient is encouraged to earn income to defray program costs where appropriate. However, program income is not typically a requirement of a Federal award. (Source: [2 CFR § 200.307\(a\)](#))

### Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place documenting how earned income (if applicable) is applied to defray program costs where appropriate and in accordance with [2 CFR § 200.307](#) regulations?
- Does our organization have policies/procedures and a written process in place documenting how program income directly generated by grant supported activities is handled (if applicable)?

## Revision of Budget and Program Plans

The recipient or subrecipient is required to report deviations from budget or project scope or objective, and request prior approvals from Federal awarding agencies for budget and program plan revisions, in accordance with [2 CFR § 200.308](#). (Sources: [2 CFR § 200.308 \(b\)](#))

### Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place documenting how prior approval by the Federal awarding agency is obtained before changes are made to the program or budget plans under Federal awards?
- Does our organization have policies/procedures and a written process in place documenting how budget and program plan revisions are initiated, and define the stakeholders involved in the process?

## Modifications to Period of Performance

The recipient or subrecipient is required to ensure obligations and allowable costs occur within the period of performance. (Source: [2 CFR § 200.309](#))

### Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place documenting how period of performance modifications are requested?
- Does our organization have policies/procedures and a written process in place documenting how obligations and allowable costs that occur within the period of performance are verified?

## PROPERTY STANDARDS

### Insurance Coverage

The recipient or subrecipient must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by the recipient or subrecipient. (Source: [2 CFR § 200.310](#))

### Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place providing the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by the recipient or subrecipient? \*\*

\*\*Federally owned property need not be insured unless required by the terms and conditions of the Federal award. \*\*

### Real Property

The recipient or subrecipient must verify that any real property purchased with Federal funds is being used for its original authorized purpose. (Source: [2 CFR § 200.311\(b\)](#))

The recipient or subrecipient must not encumber or permit any encumbrance on the real property without the prior written approval. (Source: [2 CFR § 910.360\(b\)\(2\)](#))

The recipient or subrecipient must obtain disposition instructions from the Federal awarding agency or pass-through entity when real property is no longer needed for the originally authorized purpose. (Sources: [2 CFR § 200.311 \(d\)\(1\)](#) – retaining title after compensating Federal Agency, [2 CFR § 200.311 \(d\)\(2\)](#) – Sell the property and compensate the Federal agency, and [2 CFR § 200.311 \(d\)\(3\)](#) – Transfer title to the Federal agency or a third party designated/approved by the Federal agency)

The recipient or subrecipient must use and dispose of real property in accordance with sections (e), (f), and (g) of [2 CFR § 910.360](#). (Sources: [2 CFR § 910.360\(e\)](#) – Insurance, [2 CFR § 910.360\(f\)](#) – Additional uses during and after the project period, [2 CFR § 910.360\(g\)](#) – Disposition).

### Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place ensuring that any real property purchased with Federal funds is being used for its original authorized purpose?
- Does our organization have policies/procedures and a written process regarding real property disposition?



## Federally owned and Exempt Property

The recipient or subrecipient must submit annually an inventory listing of Federally-owned property in its custody to the Federal awarding agency. (Source: [2 CFR § 200.312\(a\)](#))

Upon completion of the Federal award or when the property is no longer needed, the recipient and subrecipient must request disposition instructions from the Federal agency.

### Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place documenting how annual inventory listings of Federally-owned property in its custody are submitted?
- Does our organization have policies/procedures and a written process in place documenting how property is reported to the Federal awarding agency upon completion of a Federal award or when the property is no longer needed?
- Does our organization have policies/procedures and a written process in place documenting how Federal ownership of property is identified and indicated?

## Equipment

The recipient or subrecipient must use the equipment in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award. The recipient or subrecipient must not encumber the property without prior approval of the Federal awarding agency.

(Source: [2 CFR § 200.313\(c\)\(1\)](#))

The recipient or subrecipient must maintain property records that include a description of the property, a serial number or other identification number, the source of funding for the property (including the Federal Award Identification Number (FAIN)), the title holder, the acquisition date, and cost of the property, percentage of the Federal contribution towards the original purchase, the location, use and condition of the property, and any disposition data including the date of disposal and sale price of the property. (Source: [2 CFR § 200.313\(d\)\(1\)](#))

The recipient and subrecipient must take a physical inventory of the property and the results reconciled with the property records at least once every two years. (Source: [2 CFR § 200.313\(d\)\(2\)](#))

The recipient and subrecipient must develop a control system to ensure adequate safeguards to prevent loss, damage, or theft of the property. \*\*Any loss, damage, or theft must be investigated. (Source: [2 CFR § 200.313\(d\)\(3\)](#))

The recipient and subrecipient must develop adequate maintenance procedures to keep the property in good condition. (Source: [2 CFR § 200.313\(d\)\(4\)](#))

The recipient or subrecipient, if authorized or required to sell the property, must establish proper sales procedures to ensure the highest possible return. (Source: [2 CFR § 200.313\(d\)\(5\)](#))

When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency (except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions), the recipient or subrecipient must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. (Source: [2 CFR § 200.313\(e\)](#))

The recipient or subrecipient must properly record, and consent to the Department of Energy's ability to properly record if the recipient fails to do so, Uniform Commercial Code (UCC) financing statement(s) for all equipment purchased with Federal funds. \*\*Such a filing is required from for-profit recipients and subrecipients when the Federal share of the financial assistance agreement is more than \$1,000,000, and the OCED may require it at its discretion when the Federal share is less than \$1,000,000. (Source: [2 CFR § 910.360\(b\)\(4\)](#))

## Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place to document the use, management, and disposition of equipment acquired under a Federal award?
- Does our organization have policies/procedures and a written process in place regarding the disposition of equipment acquired under a Federal award, in accordance with [2 CFR § 200.313](#)?
- Does our organization have policies/procedures and a written process in place regarding property records maintenance? For example, do property records include the following required elements:
  - Description of the property;
  - Serial number or other identification number;
  - The source of funding for the property (including the FAIN);
  - Who holds title;
  - Acquisition date;
  - Cost of the property;
  - Percentage of the Federal contribution towards the original purchase;
  - Location of the property;
  - Use and condition of the property; and
- Does our organization have policies/procedures and a written process in place to ensure that physical inventories of property are taken, with the results reconciled with the property records at least once every two years?
- Does our organization have policies/procedures and a written process in place to ensure that adequate safeguards exist to prevent loss, damage, or theft of the property?
- Does our organization have policies/procedures and a written process in place to ensure that adequate maintenance procedures to keep the property in good conditions?
- Does our organization have policies/procedures and a written process in place to ensure that loss, damage, or theft are investigated?
- Does our organization have policies/procedures and a written process in place documenting how property is maintained and kept in good condition?
- Does our organization have policies/procedures and a written process in place regarding the proper recording and filing of Uniform Commercial Code (UCC) financing statement(s) for all equipment purchased with Federal funds (if applicable per [2 CFR § 910.360\(b\)\(4\)](#))?

## Supplies

Title to supplies acquired under the Federal award will vest in the recipient or subrecipient upon acquisition. (Source: [2 CFR § 910.362](#))

When there is a residual inventory of unused supplies exceeding \$10,000 in aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, recipient or subrecipient may retain or sell the unused supplies. The Federal agency is entitled to compensation in an amount calculated by multiplying the percentage of the Federal agency's contribution towards the cost of the original purchase(s) by the current market value or proceeds from the sale. (Source: [2 CFR § 200.314\(a\)](#))

### Question/Focus Area

- Does our organization have policies/procedures and a written process in place for handling residual inventory or unused supplies purchased under Federal awards?

## Intangible Property

The recipient or sub-recipient must use the intangible property for the originally-authorized purpose, and must not encumber the property without approval of the Federal awarding agency. (Source: [2 CFR § 200.315\(a\)](#))

When no longer needed for the originally authorized purpose, disposition of the intangible property must occur in accordance with the provisions in [2 CFR § 200.313\(e\)](#). (Source: [2 CFR § 200.315\(a\)](#))

The recipient or sub-recipient may copyright any work that is subject to copyright and was developed, or for which ownership was acquired, under a Federal award. (Source: [2 CFR § 200.315\(b\)](#))

### Questions/Focus Areas

- Does our organization have policies/procedures and a written process in for the disposition of intangible property?
- Does our organization have policies/procedures and a written process in place concerning copyrighting?

## Intellectual Property

The recipient or subrecipient must have policies/procedures in place regarding disposition of rights to data and to inventions made under a Federal award. (Source: [2 CFR § 910.362](#))

### Question/Focus Area

- Does our organization have policies/procedures and a written process in place concerning the disposition of rights to data and to inventions made under a Federal award?

## Property Trust Relationship

Real property, equipment, and intangible property that are acquired or improved with a Federal award must be held in trust by the recipient or subrecipient as trustee for the beneficiaries of the project or program under which the property was acquired or improved. The Federal awarding agency may require the recipient or subrecipient to record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with a Federal award and that use and disposition conditions apply to the property. (Source: [2 CFR § 200.316](#))

- Does our financial disclosure statement show that our organization, as trustee for the beneficiaries of the project or program under which the property was acquired or improved, is holding the real property, personal property/equipment, and intangible property in trust?

- Does our organization have policies/procedures and a written process in place discussing the requirements to record liens or other notices of record to indicate that personal property/equipment or real property has been acquired or improved with Federal awards, and that disposition conditions apply to the property?

## PROCUREMENT STANDARDS

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### Procurement Requirements for States and Indian Tribes

When procuring property and services under a Federal award, a State or Indian Tribe must follow the same policies and procedures it uses for procurements from its non-Federal funds. If such policies and procedures do not exist, States and Indian Tribes must follow the procurement standards in §§ 200.318 through 200.327. (Source: [2 CFR § 200.317](#))

In addition to its own policies and procedures, the State or Indian Tribe must also comply with [2 CFR § 200.321](#), [2 CFR § 200.322](#), [2 CFR § 200.323](#), and [2 CFR § 200.327](#).

All other recipients and subrecipients, including subrecipients of a State or Indian Tribe, must follow the procurement standards in [2 CFR § 200.318](#) through [2 CFR § 200.327](#).

#### Questions/Focus Areas

- Does our state agency or Indian Tribe follow the same policies/procedures and written processes for procurements for Federal funds as it does for non-Federal funds?
- Do our state agency's or Indian Tribe's policies and written procedures ensure compliance with procurement standards §§ [200.321](#), [200.322](#), [200.323](#), and [200.327](#), in addition to following our own policies and procedures? Does our state agency's or Indian Tribe's policies/procedures and written processes ensure that every purchase order or other contract includes any clauses required by [2 CFR § 200.327](#)?
- Does our state agency's or Indian Tribe's policies/procedures and written processes document that our subrecipients must follow the procurement standards in [2 CFR §§ 200.318](#) through [200.327](#)?

### General Procurement Standards

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The recipient or subrecipient must maintain and use documented procedures for procurement transactions under a Federal award or subaward, including for acquisition of property or services. These documented procurement procedures must be consistent with State, local, and tribal laws and regulations and the standards identified in §§ [200.317](#) through [200.327](#). (Source: [2 CFR § 200.318\(a\)](#))

Recipients and subrecipients must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. (Source: [2 CFR § 200.318\(b\)](#) and [2 CFR § 200.501\(h\)](#))

The recipient or subrecipient 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. (Sources: [2 CFR § 200.318\(c\)](#))

The recipient's or subrecipient's procedures must avoid acquisition of unnecessary or duplicative items. (Source: [2 CFR § 200.318\(d\)](#))

The recipient or subrecipient award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed contract. Consideration will be given to such matters as contractor integrity, compliance with public policy, proper classification of employees (see the [Fair Labor Standards Act, 29 U.S.C. 201, Chapter 8](#)), record of past performance, and financial and technical resources. See also [2 CFR § 200.214](#). (Source: [2 CFR § 200.318\(h\)](#))

The recipient or subrecipient must maintain records sufficient to detail the history of each procurement transaction. These records must include the rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price. (Source: [2 CFR § 200.318\(i\)](#))

The recipient or subrecipient is responsible for the settlement of all contractual and administrative issues arising out of its procurement transactions. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. (Source: [2 CFR § 200.318\(k\)](#))

### Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place regarding procurement?
- Does our organization have policies/procedures and a written process in place to maintain consistency with State, local, and tribal laws and regulations and standards?
- At what frequency does our organization assess compliance and alignment of its state and/or local procurement procedures?
- Does our organization have policies/procedures and a written process in place regarding performance and oversight maintenance to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders?
- Does our organization have policies/procedures and written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts?
- Does our organization have policies/procedures and a written process in place to ensure that the necessary stakeholders receive, review, and understand the standards of conduct applicable to our organization and our sub-recipients?
- Does our organization have policies/procedures and a written process in place documenting how our organization addresses avoiding acquisition of unnecessary or duplicative items?
- Does our organization have policies/procedures and a written process in place to ensure that award contracts are only made to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement?
- Does our organization have policies/procedures and a written process in place discussing integrity, compliance with public policy, past performance records, and financial and technical resources considered when selecting contractors?
- Does our organization have policies/procedures and a written process in place to determine that the contractor has not been debarred, suspended or excluded from or is ineligible for participation?
- Does our organization have policies/procedures and a written process in place to document the history of each procurement transaction?
- Does our organization have policies/procedures and a written process in place to ensure that procurement records contain information on the rationale for the method of procurement, selection of contract type, contractor selection or rejection and the basis for the contract price?

- Does our organization have policies/procedures and a written process in place discussing our evaluation of the suitability of a time and materials type contract and check for the inclusion of a ceiling price?
- Does our organization have policies/procedures and a written process in place covering issues on contracts greater than the simplified acquisition threshold such as source evaluation, protests, disputes, claims, and other issues, including provisions for contractual or legal remedies?
- Does our organization have policies/procedures and a written process in place documenting standards for the settlement of all contractual and administrative issues arising out of procurements?
- Does our organization have policies/procedures and a written process in place regarding maintaining an awareness of and involvement in acting on instances of non-compliance with our sub-recipients?
- Does our organization have policies/procedures and a written process in place requiring our sub-recipients to evaluate and monitor the transaction level and internal controls related to award terms and conditions?
- Does our organization have policies/procedures and a written process in place regarding how information technology is used, either automated or manually implemented, to facilitate the distribution of responsibilities between our organization and our sub-recipient(s)?
- Does our organization have policies/procedures and a written process in place discussing how formal feedback from various stakeholder entities (e.g., internal audit, funding agency reviews) is used by our organization and sub-recipients to understand possible systemic problems?
- Does our organization have policies/procedures and a written process in place assuring that the information used to monitor our awards is accurate?

## Competition

All procurement transactions under the Federal award must be conducted in a manner providing full and open competition consistent with the standards of [2 CFR § 200.319](#) and [2 CFR § 200.320](#). (Sources: [2 CFR § 200.319\(a\)](#), [2 CFR § 200.320](#))

The recipient or subrecipient must have written procedures for procurement transactions. (Sources: [2 CFR § 200.319\(d\)](#))

The recipient or subrecipient must ensure that all prequalified lists of persons, firms, or products which are used in procurement transactions are current and include enough qualified sources to ensure maximum open competition. Also, the recipient or subrecipient must not preclude potential bidders from qualifying during the solicitation period. (Source: [2 CFR § 200.319\(e\)](#))

## Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place ensuring that procurements are conducted in a manner which provides for full and open competition?
- Does our organization have policies/procedures and a written process in place certifying that prequalified lists are kept current and that they include enough qualified sources to ensure maximum open and free competition? How often is the prequalified list updated?
- How often are our organization's policies/procedures regarding full and open competition updated? What drives these updates?
- Does our organization have policies/procedures and a written process in place that discusses checks in place to assure that the description of technical requirements does not unduly restrict competition?

## Methods of Procurement to be Followed

There are three types of procurement methods: informal procurement methods (for micro-purchases and simplified acquisitions); formal procurement methods (through sealed bids or proposals); and noncompetitive procurement methods. For any of these methods, the recipient or subrecipient must maintain and use documented procurement procedures, consistent with the standards of [2 CFR § 200.317](#), [2 CFR § 200.318](#), and [2 CFR § 200.319](#), and [2 CFR § 200.320](#). (Sources: [2 CFR § 200.317](#), [2 CFR § 200.318](#), [2 CFR § 200.319](#), [2 CFR § 200.320](#))

### Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place discussing the following procurement methods?
  - Micro-purchases
  - Simplified acquisitions
  - Sealed bidding
  - Proposals
  - Non-competitive procurement
- Does our organization have policies/procedures and a written process in place documenting how price reasonableness is evaluated in situations where competitive quotations are not solicited?
- Does our organization have policies/procedures and a written process in place regarding how many qualified sources are required when obtaining price or rate quotations?
- Does our organization have policies/procedures and a written process in place to assure that the following conditions are met:
  - Availability of complete, adequate, and realistic specification or purchase description;
  - Two or more willing and responsible bidders to compete effectively;
  - Procurement that lends itself to a firm fixed price contract; and
  - Selection that can be made principally on the basis of price?
- Does our organization have policies/procedures and a written process in place documenting how the collective sealed bid requirements are met?
- Does our organization have policies/procedures and a written process in place to determine that an adequate number of qualified sources has been received in response to the publicized request for proposals?

## Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms

When possible, the recipient or subrecipient should ensure that small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms (See U.S. Department of Labor's list) are considered. (Sources: [2 CFR § 200.321](#))



### Question/Focus Area

- Does our organization have policies/procedures and a written process in place to ensure that small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms (See U.S. Department of Labor's list) are considered (when possible)?

## Domestic Preferences for Procurements

The recipient or subrecipient should, to the greatest extent practicable and consistent with law, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). This requirement must be included in all subawards, contracts, and purchase orders under Federal awards. (Source: [2 CFR § 200.322\(a\)](#))

### Question/Focus Area

- Does our organization have policies/procedures and a written process in place that provides a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States?
- Does our organization have policies/procedures and a written process in place to document or substantiate any circumstance where it was not possible to acquire suitable U.S. domestic goods, products, or materials (i.e., domestic non-availability)?
- Does our organization have policies/procedures and a written process in place concerning any Build America, Buy America waiver requests (when applicable), when not purchasing American made iron, steel, manufactured products, and construction materials to be used in any form of construction, alteration, maintenance, or repair of infrastructure in the United States?

## Procurement of Recovered Materials (STATES ONLY)

A recipient or subrecipient that is a State agency or agency of a political subdivision of a State and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at [40 CFR § 247](#) that contain the highest percentage of recovered materials practicable. (Sources: [2 CFR § 200.323](#), [Resource Conservation and Recovery Act](#), [40 CFR § 247](#))

### Question/Focus Area (STATES ONLY)

- Does our organization have policies/procedures and a written process in place documenting compliance with Section 6002 of the Solid Waste Disposal Act for both our organization and our contractors?
- Does our organization have policies/procedures and a written process in place utilizing any checklists or tools to verify that procured items which meet specified requirements align with the guidelines of the EPA?

## Export Control and U.S. Manufacturing and Competitiveness

Any recipient or subrecipient that is a recipient of any award for research, development and/or demonstration must comply with all applicable U.S. laws regarding export control. (Source: [2 CFR § 910.366\(a\)](#))

The recipient or subrecipient must include a provision that provides plans by the recipient and any subrecipients to support manufacturing in the United States of technology developed under the award. This includes subawards, for research, development, and/or demonstration. (Source: [2 CFR § 910.366\(b\)](#))

## Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place to comply with all applicable U.S. laws regarding export control?
- Does our organization have policies/procedures and a written process in place discussing plans to support manufacturing of technology of the award in the United States, for both our organization and our subrecipients?

## Contract and Cost Price

The recipient or subrecipient must perform a cost-benefit or price analysis for every procurement transaction, including contract modifications, in excess of the simplified acquisition threshold. (Source: [2 CFR § 200.324\(a\)](#))

The recipient or sub-recipient may reference its own cost principles that comply with the Federal cost principles. The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used. (Sources: [2 CFR § 200.324\(b\)](#), [2 CFR § 200.324\(c\)](#))

## Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place regarding cost or price analyses in connection with every procurement transaction in excess of the Simplified Acquisition Threshold (including contract modifications)?
- Does our organization have policies/procedures and a written process in place regarding Federal cost principles compliance?

## Federal Agency or Pass-Through Entity Review

The recipient or subrecipient must submit, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. (Source: [2 CFR § 200.325](#))

## Question/Focus Area

- Does our organization have policies/procedures and a written process in place to make available, upon request of the Federal agency or pass-through entity, technical specifications on proposed procurements where the Federal agency or pass-through entity believes such review is needed? If a review is requested, what documents are compiled for submission?
- Does our organization have policies/procedures and a written process in place addressing how stakeholders stay informed or requests for and results of pre-procurement reviews?
- Does our organization have policies/procedures and a written process in place discussing our sub-recipients' self-certifications of their procurement systems?

## Contract Provisions

The recipient's or subrecipient's contracts must contain the applicable provisions described in [Appendix II](#) to Part 200. (Sources: [2 CFR § 200.327](#), [Appendix II to Part 200 -Contract Provisions for Non-Federal Entity Contracts Under Federal Awards](#))

## Question/Focus Area

- Does our organization have policies/procedures and a written process in place regarding inclusion of the applicable contract provisions in Appendix II to Part 200 in our contracts?

# PERFORMANCE AND FINANCIAL MONITORING AND REPORTING

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## Monitoring and Reporting Program Performance

The recipient and subrecipient are responsible for the oversight of the Federal award. The recipient and subrecipient must monitor their activities under Federal awards to ensure they are compliant with all requirements and meeting performance expectations. Monitoring by the recipient and subrecipient must cover each program, function, or activity. (Source: [2 CFR § 200.329\(a\)](#))

When a significant development that could impact the Federal award occurs between performance reporting due dates, the recipient or subrecipient must notify the Federal agency or pass-through entity. (Source: [2 CFR § 200.329\(e\)](#)) In such cases, the recipient or subrecipient must inform the Federal agency or pass-through entity as soon as the following types of conditions become known:

- Events that enable meeting milestones and objectives sooner or at less cost than anticipated or that produce different beneficial results than originally planned.
- Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the Federal award. This disclosure must include information on their plan for corrective action, and any assistance needed to resolve the situation.
- Significant developments include events that enable meeting milestones and objectives sooner or at less cost than anticipated or that produce different beneficial results than originally planned. (Source: [2 CFR § 329\(e\)](#))

## Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place to monitor all activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved?
- Does our organization have policies/procedures and a written process in place to monitor each program, function, or activity?
- Does our organization have policies/procedures and a written process in place regarding risk of noncompliance assessments for potential subrecipients?
- Does our organization have policies/procedures and a written process in place to check the timeliness/non-submission of required reports from our sub-recipients (monthly status, annual progress, or final technical)?
- Does our organization have policies/procedures and a written process in place to notify the Federal agency of significant developments, as defined by [2 CFR § 329\(e\)](#), in a timely manner?

## Reporting on Real Property

The recipient or subrecipient must submit reports at least annually on the status of real property in which the Federal Government retains an interest, unless the Federal interest in the real property extends 15 years or longer. \*\*In those instances where the Federal interest attached is for a period of 15 years or more, the Federal agency or pass-through entity, may require the recipient or subrecipient to report at various multi-year frequencies. \*\* (Source: [2 CFR § 200.330](#))

### Question/Focus Area

- Does our organization have policies/procedures and a written process in place concerning reports on the status of real property in which the Federal Government retains an interest?

## SUBRECIPIENT MONITORING AND MANAGEMENT

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### Subrecipient and Contractor Determinations

An entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal agencies and pass-through entities. Therefore, a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. (Source: [2 CFR § 200.331](#))

### Question/Focus Area

- Does our organization have policies/procedures and a written process in place providing guidance to employees to assist with the determination of whether a relationship is that of a subrecipient or a contractor?
- Does our organization have policies/procedures and a written process in place for the determination of subrecipient or contractor when considering agreements for the disbursement of Federal program funds?

### Requirements for Pass-through Entities

A pass-through entity must ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the Federal Award Identification items outlined in [2 CFR § 200.332\(b\)\(1\)](#). When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. (Source: [2 CFR 200.332\(b\)](#))

A pass-through entity must evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine the appropriate subrecipient monitoring. (Source: [2 CFR 200.332\(c\)](#))

A pass-through entity should consider implementing specific conditions in a subaward as described in § 200.208 and notify the Federal agency of the specific conditions. (Source: [2 CFR § 200.332\(d\)](#) and [2 CFR § 200.208](#))

A pass-through entity must monitor the activities of the subrecipient as necessary to ensure that the subrecipient complies with Federal statutes, regulations, and the terms and conditions of the subaward. Pass-through entity monitoring of the subrecipient must include:

- Reviewing financial and performance reports required by the pass-through entity.
- Ensuring that the subrecipient takes corrective action on all significant developments that negatively affect the subaward. Significant developments include Single Audit findings related to the subaward, other audit findings, site visits, and written notifications from a subrecipient of adverse conditions which will impact their ability to meet the milestones or the objectives of a subaward.

When significant developments negatively impact the subaward, a subrecipient must provide the pass-through entity with information on their plan for corrective action and any assistance needed to resolve the situation.

- Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by [2 CFR § 200.521](#).
- Resolving audit findings specifically related to the subaward. However, the pass-through entity is not responsible for resolving cross-cutting audit findings that apply to the subaward and other Federal awards or subawards.
- If a subrecipient has a current Single Audit report and has not been excluded from receiving Federal funding (meaning, has not been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant agency for audit or oversight agency for audit to perform audit follow-up and make management decisions related to cross-cutting audit findings in accordance with section § 200.513(a)(4)(viii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

Depending upon the pass-through entity's assessment of risk posed by the subrecipient, the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

- Providing subrecipients with training and technical assistance on program-related matters;
- Performing site visits to review the subrecipient's program operations and;
- Arranging for agreed-upon-procedures engagements as described in [2 CFR § 200.425](#). (Source: [2 CFR § 200.332\(f\)](#))

A pass-through entity must verify that every subrecipient is audited as required by [Subpart F](#) when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in [2 CFR § 200.501](#). (Source: [2 CFR § 200.332\(g\)](#))

A pass-through entity should consider the results of the subrecipient's audits, site visits, or other monitoring necessitate adjustments to the pass-through entity's records. (Source: [2 CFR § 200.332\(h\)](#))

A pass-through entity should consider taking enforcement action against noncompliant subrecipients as described in [§ 200.339](#) and in program regulations. (Source: [2 CFR § 200.332\(i\)](#))

### Question/Focus Area

- Does our organization have policies/procedures and a written process in place to ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the Federal Award Identification items outlined in [2 CFR § 200.332\(b\)\(1\)](#)?
- Does our organization have policies/procedures and a written process in place assigning responsibility for alerting subrecipients that they must provide unique identifiers to our organization?
- Does our organization have policies/procedures and a written standard subaward agreement template in place that ensures all the required elements of [2 CFR § 200.332\(b\)](#) are included, as appropriate, in the agreement?
- Does our organization have policies/procedures and a written risk assessment process in place for each subrecipient's fraud risk and risk of noncompliance with a subaward for purposes of determining the appropriate subrecipient monitoring?

- As a result of our organization’s risk assessment for each considered subaward, do our policies/procedures and written processes ensure the consideration of implementing specific conditions in a subaward as described in [§ 200.208](#), if appropriate?
- Does our organization have policies/procedures and a written process in place concerning our sub-recipient monitoring plan, including providing guidance to appropriate tools for monitoring, based on the assessed risk?
- Does our organization have policies/procedures and a written process in place to review and ensure that every subrecipient is audited, as required?

## Fixed Amount Subawards

The recipient may provide subawards based on fixed amounts up to \$500,000, provided that the subawards meet the requirements for fixed amount awards in [2 CFR § 200.201](#). (Source: [2 CFR § 200.333](#))

### Question/Focus Area

- Does our organization have policies/procedures and a written process in place regarding how subawards based on fixed amounts up to \$500,000 are provided?

## RECORDS RETENTION AND ACCESS

### Record Retention Requirements

The recipient and subrecipient must retain all Federal award records for three years from the date of submission of their final financial report. \*\*Exceptions are outlined in [2 CFR § 200.334\(a\) – \(f\)](#). (Source: [2 CFR § 200.334](#))

### Question/Focus Area

- Does our organization have policies/procedures and a written process in place concerning retention of all Federal award records?
- Does our organization have policies/procedures and a written process in place regarding conveyance of records retention requirements to our sub-recipients, and assurance that they are aware of and properly trained on the requirements?
- Does our organization have policies/procedures and a written process in place discussing how our sub-recipients will reconcile the records retention requirements during development, design and construction against our written retention requirements?

### Request for Transfer of Records

The recipient or subrecipient must transfer records to the Federal agency’s custody upon the Federal agency’s request. (Source: [2 CFR § 200.335](#))

### Question/Focus Area

- Does our organization have policies/procedures and a written process in place concerning transfer of records?

### Methods of Collection, Transmission, and Storage of Information

The recipient or subrecipient must, whenever practicable, collect, transmit, and store Federal award information in open and machine-readable formats. (Source: [2 CFR § 200.336](#))

## Question/Focus Area

- Does our organization have policies/procedures and a written process in place concerning collection, transmittal, and storage of Federal award-related information? Approximately what percentage of our records are available in full electronic format?
- Does our organization have policies/procedures and a written process in place discussing how the long-term retention value of our records is determined?
- Does our organization have policies/procedures and a written process in place regarding how requests for paper copies are handled?

## Access to Records

The recipient or subrecipient must give right of access the Federal agency or pass-through entity, Inspectors General, the Comptroller General of the United States, or any of their authorized representatives, to any records of the recipient or sub-recipient which are pertinent to the Federal award, to perform audits, execute site visits, or for any other official use. (Source: [2 CFR § 200.337\(a\)](#))

## Question/Focus Area

- Does our organization have policies/procedures and a written process in place giving right of access Federal agencies or pass-through entities, Inspectors General, the Comptroller General of the United States, or any of their authorized representatives, in order to perform audits, execute site visits, or for any other official use?

## CLOSEOUT

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### Closeout

The recipient must submit all reports (financial, performance, and other reports required by the Federal award) no later than 120 calendar days after the conclusion of the period of performance. A subrecipient must submit all reports (financial, performance, and other reports required by a subaward) to the pass-through entity no later than 90 calendar days after the conclusion of the period of performance of the subaward (or an earlier date as agreed upon by the pass-through entity and subrecipient). (Source: [2 CFR § 200.344\(b\)](#))

The recipient must liquidate all financial obligations incurred under the Federal award no later than 120 calendar days after the conclusion of the period of performance. A subrecipient must liquidate all financial obligations incurred under a subaward no later than 90 calendar days after the conclusion of the period of performance of the subaward (or an earlier date as agreed upon by the pass-through entity and subrecipient). (Source: [2 CFR § 200.344\(c\)](#))

The recipient or subrecipient must promptly refund any unobligated funds that the Federal agency or pass-through entity paid and that are not authorized to be retained. (Sources: [2 CFR § 200.344\(e\)](#), [OMB Circular A-129](#) and [§ 200.346](#))

The recipient or subrecipient must account for any property acquired with Federal funds or received from the Federal Government in accordance with [2 CFR §§ 200.310](#) through [200.316](#) and [2 CFR § 200.330](#). (Sources: [2 CFR § 200.344\(g\)](#), [2 CFR §§ 200.310 -200.316](#), [2 CFR § 200.330](#))

### Questions/Focus Areas

- Does our organization have policies/procedures and a written closeout process in place?
- Does our organization have policies/procedures and a written process in place regarding submittal of all financial, performance, and other reports as required by the terms and conditions of the Federal award?



- Does our organization have policies/procedures and a written process in place concerning liquidation of all financial obligations incurred under Federal awards?
- Does our organization have policies/procedures and a written process in place discussing refunding balances of unobligated cash?
- Does our organization have policies/procedures and a written process in place accounting for any property acquired with Federal funds or received from the Federal government?
- Does our organization's financial management system automatically alert sub-recipients of impending deadlines and deliverables due in relation to closeout?

## POST AWARD FEDERAL REQUIREMENTS FOR FOR-PROFIT ENTITIES

### Applicability of 2 CFR § 910

The definition of Non-Federal entity found in 2 CFR § 200.1 is expanded for DOE to include for-profit organizations in addition to states, local governments, Indian tribes, institutions of higher education (IHE), and nonprofit organizations. (Source: [2 CFR § 910.350 \(a\)](#))

A for-profit organization is defined as one that distributes any profit not reinvested into the business as profit or dividends to its employees or shareholders. (Source: [2 CFR § 910.350 \(b\)](#))

[Subpart D of 2 CFR § 910](#) contains specific changes to [2 CFR § 200](#) that apply only to For-Profit Recipients and, unless otherwise specified, subrecipients. In some cases, the coverage in Subpart D will replace the language in a specific section of 2 CFR § 200. (Source: [2 CFR § 910.350 \(c\)](#))

### Cost Principles

For For-Profit Entities, the Cost Principles contained in [48 CFR § 31.2 \(Contracts with Commercial Organizations\)](#) must be followed in lieu of the Cost principles contained in [2 CFR §§ 200.400](#) through [200.476](#).

This applies to For-Profit entities whether they are recipients or subrecipients. (Source: [2 CFR § 910.352](#))

### Questions/Focus Areas

- Does our organization have policies/procedures and a written process in place concerning our organization's cost principles and which principles apply based on subrecipients or contracts?