

An abstract graphic made of a thick red ribbon. The ribbon starts as a vertical line at the bottom, loops into a series of concentric circles on the left side, and then extends as a horizontal line to the right edge of the page.

# The New Normal

Monitoring Subrecipients  
Under the Uniform  
Guidance Requirements

BY KEVIN W. HARPER AND MAGGIE WONG



The San Mateo County Human Services Agency faced challenges in understanding, implementing and complying with new subrecipient monitoring provisions. **Here are the lessons learned.**

“**T**he past six years have been a rollercoaster for the San Mateo County Human Services Agency,” said Maggie Wong, the compliance officer responsible for the agency’s implementation of the subrecipient monitoring provisions of the Office of Management and Budget’s *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The agency receives approximately 24 percent of its funding from federal sources each year, so contract monitoring and compliance is an important operational objective. Fortunately, agency leadership had the foresight to champion this compliance initiative as a way to ensure these federal funds would continue to be available to fund needed services in the community.

The uniform guidance’s new requirements were new not only

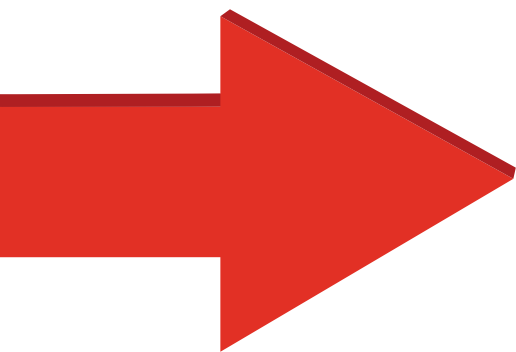
to the agency but also to its peers in other county agencies and in other counties. Therefore, there were no tools and templates readily available from other governments. “Starting from scratch with no guidance seemed insurmountable, and very scary. Fortunately, we found a consultant with substantial subrecipient monitoring experience to assist in this compliance development effort,” Wong said.

First, the agency had to thoroughly understand the uniform guidance. “Did someone move my cheese or did the cheese just change colors?” Maggie wondered as she started reading the new literature. It became clear that every element of operations related to working with nonprofit organizations would need to be rethought and redesigned.

Second, the agency needed to identify and train all the personnel who would be involved in the new subrecipient monitoring process.

It needed to develop policies, procedures, tools, templates, and protocols to galvanize more than 50 directors and managers. “I told them to follow me, and in my head I thought, I kind of know where we are going,” Maggie said. She quickly realized that the key to the change management process that would be required were the partners and peers that she relied on daily to support the agency’s many critical programs. It would be critical to open the lines of communication between finance and program staff and to redefine normal.

“The process was not easy, and there were pain points along the way,” Maggie said. “There were the days when being a compliance officer was difficult, as part of our job is to deliver bad news. Social Services is a constantly moving target, which makes it even more challenging when there are regulatory



changes that affect the fabric of how we do business. The caliber of our program managers is the best that I have seen; they met these new challenges with the professionalism and strength that is the key to effecting change management and to continue to serve the needs of our clients.”

To enhance the agency’s capacity to manage increased administrative and fiduciary requirements, it expanded its procurement and contracting staff from three to six. This additional layer of administrative capacity allows the agency to help program staff with solicitations, subrecipient identification, suspension/debarment checks, financial risk assessments, and coordinated compliance checks. The agency also formed collaborative procurement and contract teams that consist of the program subject matter experts in each branch, a procurement and contract administrator, and a financial budget analyst. Each team strategizes branch contractual objectives collaboratively each quarter, with the goal of guiding the contractual work for the branch and meeting federal and county performance objectives.

### The Uniform Guidance Requirements

The uniform guidance requires entities that pass federal funds (“pass-through entities”) to a state, local government, Indian tribe, institution of higher education, or nonprofit organization (but not individual not-for-profit entities), to monitor those

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subrecipients. The uniform guidance, which is frequently referred to as “the Supercircular,” can be found in Section 200 of the Code of Federal Regulations.

Monitoring is required to ensure that subrecipients spend federal funds in accordance with federal laws and regulations. The uniform guidance requires pass-through entities to:

- Provide information to subrecipients in the subgrant agreement that allows them to understand and comply with applicable grant provisions, laws, and regulations.
- Review subrecipient annual financial reports, as well as any programmatic reports the subrecipient is required to file with the pass-through entity.
- Assure that subrecipients submit a single audit report if they expend more than \$750,000 of federal funds during their fiscal year.
- Issue management decision on findings.
- Ensure timely correction of findings.
- Conduct risk assessments to evaluate each subrecipient’s risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward.
- Monitor subrecipients based on the results of the risk assessment.

### Comprehensive Program to Monitor Subrecipients

To implement a comprehensive program to monitor subrecipients in accordance with the uniform guidance, a pass-through agency needs to address the following tasks:

#### ► STEP 1 | Identify Subrecipients

Any local government that passes federal funds to a subrecipient, which is a state, local government, Indian tribe, institution of higher education, or nonprofit organization, is required to monitor those subrecipients according to the uniform guidance. But before you can monitor subrecipients, you must first identify them and distinguish them from contractors. Contractors, individuals and for-profit entities are not required to be monitored according to the uniform guidance.

The uniform guidance presents ten characteristics that should be considered when determining whether an entity receiving federal funds is a subrecipient or a contractor. Subrecipients generally provide goods or services that are integral to meeting the objectives of the federal program and have significant discretion over delivery of goods and services. Contractors generally provide goods and services that are ancillary to the objectives of a federal program and generally provide similar goods and services to other entities in the normal course of operations. Following is a short description of each characteristic from the uniform guidance:

#### Common subrecipient characteristics:

1. **Subrecipient determines who is eligible to receive federal assistance.** If the pass-through entity provides the subgrantee

with a list of program participants to which goods or services are to be provided, the pass-through entity is determining eligibility. If the pass-through entity provides criteria for eligible participants but the subgrantee chooses the participants, the subgrantee is determining eligibility.

**2. Subrecipient's performance is measured in terms of grant objectives.** This characteristic is met if the pass-through entity determines how well the subgrantee is performing its contracted duties by measuring them against criteria listed in the federal program requirements. If the pass-through entity does not gather performance measures related to the subgrantee, does not measure the performance of the subgrantee, or measures them using criteria not defined in the federal program, this characteristic is not met.

**3. Subrecipient has responsibility for programmatic decision making.** This characteristic is met if the subgrantee has discretion to make decisions about the types or extent of goods

and services that are provided or how those services are delivered. If the subgrantee does not have this discretion because the exact services are completely spelled out in the subgrant agreement, this characteristic is not met.

**4. Subrecipient is required to adhere to federal award terms and conditions.** Although all entities must follow federal laws, this question relates to the terms and conditions in the federal grant agreement. This characteristic is met if the subgrant agreement requires the subgrantee to follow key provisions of the federal program.

**5. Subrecipient uses funds to carry out a program for a public purpose specified in statute.** This characteristic is met if the subgrantee tailors the goods and services it provides to the pass-through entity and/or establishes a separate fund or program in its accounting records to track revenues and expenses related to the pass-through entity's program. If the subgrantee provides the goods and services the same as for other purchasers, it is not met.

## Common contractor characteristics:

- 1. Contractor provides goods and services within normal business operations.** If the goods and services the subgrantee provides to the pass-through entity is what they normally do for their business, this characteristic is met. If the subgrantee developed the services for the purpose of meeting the subaward scope of work, the characteristic is not met.
- 2. Contractor provides goods and services to many different purchasers.** If the subgrantee provides the goods and services to many different purchasers, this characteristic is met.
- 3. Contractor operates in competitive environment.** If there are other entities that provide the same goods and services in the same geographic location, this characteristic is met.
- 4. Contractor's goods and services are ancillary to federal program operations.** If the subgrantee provides goods and services that are peripheral to the objectives of the programs (e.g., janitorial services),





this characteristic is met. If they provide goods and services that are at the core of the objectives of the program (e.g., provide services directly to program participants), the characteristic is not met.

**5. Contractor is not subject to compliance requirements of the federal program.** This question is the opposite of question 4 above for subrecipients, so this answer will be opposite of how you answered that question.

A subrecipient versus contractor determination checklist that contains these ten characteristics is shown in Exhibit 1 (this and all the other checklists referenced in this article are available for download at [kevinharpercpa.com](http://kevinharpercpa.com)). This checklist can be used to lead the subrecipient versus contractor determination and provide the necessary audit trail to document this decision. It should be completed by a pass-through entity employee who fully understands the scope of work that the subgrantee provides. If the answers to the first five fields are yes, they provide evidence

of a subrecipient relationship. If the answers to the second five fields are yes, this is evidence of a contractor relationship.

It should be noted that each question takes the judgment of the employee completing the checklist. Usually, there will be a preponderance of yes answers to either the subrecipient or contractor questions and a preponderance of no answers to the other. Occasionally, there will be no clear preponderance. In this case, the employee should obtain a second opinion from other knowledgeable employees and/or should determine which of the 10 questions should be more heavily weighted. The employee then decides whether the evidence points to a subrecipient or a contractor, completes the checklist, and places it in the grantee file. It is important that this documentation be available for auditors to review.

This checklist should be completed for *each federal program* for which the pass-through entity provides funding to a subgrantee. Each program will have a different scope

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of work and therefore must be evaluated separately as a subrecipient or contractor relationship. A new checklist should be completed whenever there is a significant amendment to the scope of work in the sub-award agreement.

Even though contractors, for-profit entities, and grantees provided non-federal funds are not required to be monitored by the uniform guidance, the pass-through entity should consider monitoring these entities in a similar manner.

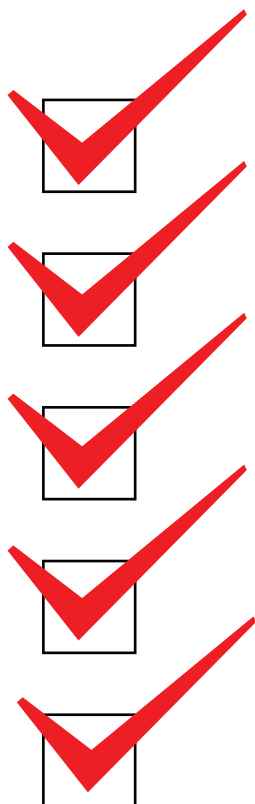
## Exhibit 1: Subrecipient versus Contractor Determination Checklist

This checklist can be used to assist in determining whether an entity doing business with the Agency is a subrecipient or a contractor under federal guidelines. In making the determination of whether a subrecipient or contractor relationship exists, the substance of the relationship is more important than the form of the agreement. It is not expected that all of the characteristics listed below will be present, and judgment should be used in determining whether an entity is a subrecipient or a contractor. In some cases, it may be difficult to determine whether the relationship with the entity is that of a subrecipient or of a vendor.

Entity Being Evaluated: \_\_\_\_\_

Characteristics of a Subrecipient	Yes	No	N/A
1. The entity determines who is eligible to receive what federal financial assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The entity's performance is measured against whether the objectives of the federal program are met	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The entity has responsibility for programmatic decision making	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The entity has responsibility for adherence to compliance requirements applicable to the federal program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The entity uses the federal funds to carry out a program of the entity (as compared to providing goods or services for a program of the pass-through entity)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Characteristics of a Contractor</b>			
1. The entity provides the goods and services within normal business operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. The entity provides similar goods or services to many different purchasers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The entity operates in a competitive environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. The entity provides goods or services that are ancillary to the operation of the federal program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. The entity is not subject to the compliance requirements of the federal program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Conclusion</b>			
This entity is determined to be: <b>Subrecipient</b> <input type="checkbox"/> <b>Contractor</b> <input type="checkbox"/>			

The checklist can be used to **lead the subrecipient versus contractor determination** and provide the necessary audit trail to document this decision.



## ► **STEP 2 | Provide Subgrant Information**

The uniform guidance requires pass-through entities to provide significant information to subrecipients to allow subrecipients to identify and comply with federal requirements. Following is the list of information that should be included in the subgrant agreements:

- Federal award identification number
- Subrecipient name
- Subrecipient DUNS number
- Federal award date
- Subaward period of performance start and end date
- Amount of federal funds obligated
- Amount of federal funds obligated to this subrecipient
- Total amount of federal award
- Federal award project description
- Name of federal awarding agency, pass-through entity and contact info
- Catalog of Federal Domestic Assistance (CFDA) name and number
- Identification of whether award is research and development
- Indirect cost rate for the federal award
- All requirements passed through by the pass-through entity to subrecipient
- Any additional requirements desired by the pass-through entity
- Requirement that subrecipient permit pass-through entity access to audit records
- Conditions concerning close-out of subaward

## ► **STEP 3 | Assess Subrecipient Risk**

The uniform guidance requires pass-through entities to determine the extent of monitoring they will

perform of each subrecipient based on the results of a risk assessment. Below we propose procedures for assessing subrecipients' risk of non-compliance with federal regulations and grant provisions and provide sample questionnaires for determining, quantifying, and documenting risk.

The uniform guidance does not require any particular type or extent of risk assessment. That is left to the judgment of the pass-through entity. However, criteria used to evaluate an organization's compliance with grant provisions often include:

- How subrecipient management has responded to prior monitoring activities
- Subrecipient management's experience with the same or similar grants
- Recent changes in subrecipient personnel, systems or procedures
- Subrecipient's history of meeting requirements, including timely reporting
- Subrecipient's time in operation (short time in existence increases risk)
- Financial instability, such as cash flow problems, inadequate net assets, outstanding lawsuits or other contingencies
- Has been debarred or suspended by federal government

## **Evaluating a Subrecipient's Risk**

San Mateo County Human Services Agency developed a list of 23 questions designed to evaluate subrecipient risk. Each of these 23 questions are weighted with a score of three to seven points so that there is a maximum available score of 100 for each subrecipient. The questions are as follows (they are split between 13 financial risk questions and 10 programmatic risk questions):



## Financial Risk Questions

Questions that can be answered by reviewing the subrecipient financial statements are included on a **Subgrantee Risk Assessment Questionnaire – Financial Risk**.

These questions are typically answered by an employee experienced in reading financial reports. The financial risk questions are:

1. Do the financial statements include all required statements and disclosures?
2. Is the auditors' report unmodified, and are there no compliance exceptions and no internal control weaknesses?
3. Does this grant represent less than 25 percent of entity-wide expenditures for the specific federal program?
4. Are current assets sufficient to pay current liabilities as they come due?
5. Are variations between subrecipient contracted budget and actual expenditures reasonable?
6. Is unrestricted net position (equity) sufficient to cover at least three months of operating costs?
7. Has the subrecipient's revenues exceeded expenses each of the past three years?
8. Are the subrecipient's operating and overhead expenses reasonable in type and amount compared to similar subrecipients?
9. Are related party transactions reasonable or de minimus?
10. Has the subrecipient used borrowing, if any, only for acquisition of long-term assets?
11. Are salaries and benefits as a percentage of total costs stable or declining?
12. Did the subrecipient receive a single audit in the past three years, and was the pass-through entity's program audited as a major federal program?
13. Any other items noted during review of the financial statements (e.g., unfunded commitments or other unrecorded liabilities; lawsuits; subsequent events).

## Programmatic Risk Questions

The remaining questions are part of the **Subgrantee Risk Assessment Questionnaire – Programmatic Risk**.

These questions are typically answered by a pass-through entity employee who works with subrecipient management based on their knowledge of the subrecipient, review of files, discussion with other pass-through entity employees dealing with the subrecipient, and discussion with subrecipient management. The programmatic risk questions are:

1. Is the subrecipient experienced with the federal program?
2. Has there been stability in subrecipient key personnel, systems, and procedures during the past year?
3. Has the subrecipient been timely during the past three years in the preparation and submission of required reports, reimbursement requests, budgets, etc.?
4. Has the subrecipient had an onsite monitoring visit during the last three years?
5. Was the subrecipient found to be in compliance with regulations during the pass-through entity's prior visit, in any corrective action plan, and/or in audits by other grantors?
6. Is the subrecipient in good legal standing, with no current or recent lawsuit filed against them?
7. Is the subrecipient not included on the U.S. General Services Administration's suspended/debarred list?
8. Does the subrecipient's automated accounting system identify the receipts and expenditures of program funds separately for each award?
9. Does the subrecipient have a time and accounting system to track labor costs by cost objective?
10. Any concerns with the subrecipient, unusual complexity in the program or its compliance requirements, or other risks not otherwise noted.



After the initial risk assessment is performed for each subrecipient, it is anticipated that ongoing monitoring is adequate to identify new risks as they arise. Therefore, it is generally not necessary to perform risk assessments each year.

#### ► **STEP 4 | Monitor Subrecipients**

Below we describe how to link the level of monitoring the pass-through entity will perform to the results of the risk assessment described in Step 3. It is important to document each monitoring task performed and the results thereof in the subrecipient's file.

#### **Linking Monitoring to Risk Assessment Results**

Once both risk questionnaires are completed, answers to the risk questions can be summarized onto a risk assessment summary (see Exhibit 2). This summary assigns a risk score for each risk criterion, calculates a risk score for each subrecipient, and visually displays the identified areas of risk. The risk score is used to determine the level of monitoring required.

There are many acceptable methods for linking the results of the risk assessments to the monitoring to be performed. Following is an example of how San Mateo County Human Services Agency assigned monitoring levels in the early years of subrecipient monitoring, based solely on the risk score:

<b>85-100</b>	<b>Minimum monitoring</b>
<b>70-84</b>	<b>Desk review</b>
<b>55-6</b>	<b>Onsite visit</b>
<b>&lt; 55</b>	<b>Agreed-upon-procedures</b>

The minimum amount of subrecipient monitoring required by the uniform guidance, regardless of the risk assessment results, is as follows:

- **Review financial reports.** The pass-through entity must review annual financial reports and identify findings (e.g., modification of auditors' reports, compliance exceptions, weaknesses in internal controls), if any, related to the pass-through entity's programs.
- **Review programmatic reports.** Any programmatic reports that the pass-through entity requires the subrecipient to submit must be reviewed. Identify any indications of noncompliance or risk.
- **Make sure Single Audit Report is filed.** The pass-through entity must verify that subrecipients required to have single audits submit them to the Federal Audit Clearinghouse.
- **Issue management decision.** The pass-through entity must provide to the subrecipient a management decision for audit findings pertaining to the federal award. (See Step 5.)
- **Ensure corrective action.** Assure that any findings identified in review of the financial reports and programmatic reports are appropriately remedied in a timely manner. The pass-through entity should require the subrecipient to submit a corrective action plan (CAP) for any finding. The CAP should include:
  - List of tasks the subrecipient will perform to correct the deficiency ("Planned Actions" per the uniform guidance).
  - Person responsible for completing each task ("Responsible Person").
  - Required date of completion for each task ("Due Dates").

The pass-through entity should review the CAP to:

- Assure it is complete (i.e., all required elements listed above are included).

The risk assessment summary assigns a risk score for each risk criterion, calculates a risk score for each subrecipient, and **visually displays the identified areas of risk.**

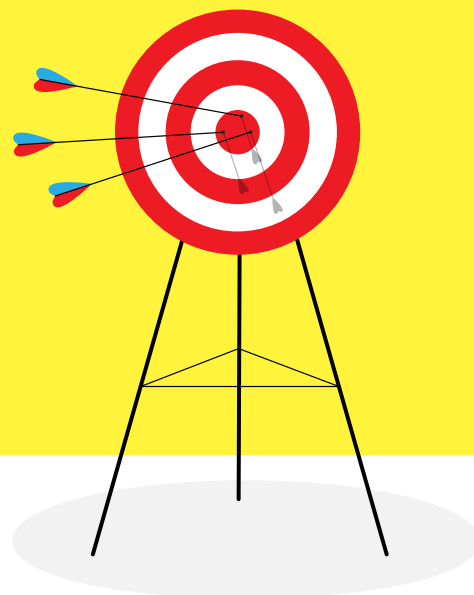
- Assure it is adequate (i.e., that if subrecipient completes the tasks, it is likely the finding will be adequately resolved).
- Monitor the subrecipient's progress on the CAP and see that it completes the CAP in a timely manner.
- Conclude whether the finding was adequately resolved.

More elaborate monitoring of high-risk subrecipients may include training and technical assistance, desk reviews, onsite visits, and agreed-upon procedures engagements, as follows:

- **Training and technical assistance.** The pass-through entity should provide adequate education to subrecipient management, so they understand the program requirements and pass-through entity expectations. If several subrecipients are weak in the same risk criterion, then the pass-through entity may consider providing training and technical assistance simultaneously to a group of subrecipients.
- **Desk reviews.** All of the minimum monitoring described above **plus** request additional documents from subrecipient, review its performance, and request a CAP as appropriate.

**Exhibit 2: Risk Assessment Summary**

			Subrecipient Name	
Financial Risks			John Doe Foundation	Jane Doe Trauma Services
F/S for Year Ended			6/30/2019	12/31/2018
1	GAAP required documents included	3	3	3
2	Auditors report unmodified	7	7	7
3	Grant < 25% of county's federal expenditures?	6	6	6
4	Current ratio >1.25	5	5	5
5	Are variations between contracted budget & actual expenses reasonable?	5	0	5
6	Unrestricted net position > 3 months expenses	7	0	7
7	CBO operated at profit for past 3 years	4	0	4
8	Expenses reasonable?	3	0	3
9	Related party transactions insignificant	3	3	3
10	No borrowing for operations	3	3	3
11	Personnel costs stable past 2 years?	3	0	0
12	Did CBO have single audit last year? Program audited as major program in last 3 years?	3	0	0
13	Other risks noted during review	3	3	3
<b>Program Risks</b>				
			Risk Weight	
1	Is CBO experienced with the program?	4	4	4
2	Personnel, operations, procedures are stable	4	4	4
3	Is CBO timely in submitting required documents?	7	7	7
4	< 3 years since on-site monitoring visit?	5	5	5
5	No findings/violations from County's prior visit/ corrective action or audits by other grantors?	7	7	7
6	No lawsuits filed against CBO?	3	3	3
7	Is CBO not suspended / debarred?	4	4	4
8	Are revenues and expenses for each award accounted for separately?	5	0	0
9	Does CBO have time and accounting system or time studies to track labor costs by cost objective?	3	3	3
10	Other risks noted during review	3	3	3
<b>Risk Score</b>			<b>100</b>	<b>70</b>
				<b>89</b>



- **Onsite reviews.** All of the minimum monitoring described above **plus** visit the subrecipient's site as needed to review subrecipient's operations, record-keeping, and performance, and request a CAP as appropriate.
- **"Agreed-upon-procedures" engagements.** All of the minimum monitoring described above **plus** engage a certified public accountant to conduct an "agreed upon procedures" review of the subrecipient (procedures to be determined based on the areas of risk for each subrecipient and results of the agreed-upon procedures to be used to develop a CAP).
- **Other monitoring** as determined by the pass-through entity.

### Escalating Sanctions

When a subrecipient does not make progress according to the CAP, the pass-through entity will consider one or all of the sanctions listed below. Continued lack of progress will require the pass-through entity to escalate sanctions until subrecipient compliance is achieved; otherwise the pass-through entity will be considered non-compliant with federal requirements.

- Additional training and technical assistance
- Delay payments to subrecipient until they comply
- Deny a portion of requested payments for activities not in compliance
- Suspend or terminate the contract
- Reduce funding in next contract period
- Decline to renew contract when it ends
- Initiate federal suspension or debarment proceedings
- Other legally available actions

### ► STEP 5 | Review Required Reports

The subrecipient is required to file a single audit report if it spends more than \$750,000 in its fiscal year, inclusive of the federal funds received from the pass-through entity.

For subrecipients that do not spend the amount of federal funds that requires a single audit, the subaward agreement should require annual financial statements audited in accordance with generally accepted

auditing standards. It should require subrecipients to identify the amount of funds received from the pass-through entity for each federal program, in notes to the financial statements or in a supplemental schedule. Without such a schedule, the pass-through entity will not know whether the amounts and programs for which it is providing funding are included in the subrecipient's audited financial report.

A subrecipient financial report review checklist can be used to document the review of each subrecipient's annual financial report. This checklist should be completed by a pass-through entity employee who understands financial reports and audits. The goal of the annual review of financial reports is to identify control weaknesses or compliance exceptions noted by the subrecipient's auditors, to ascertain the financial stability of the subrecipient and to identify any other matters indicating increased risk of the subrecipient not complying with federal or pass-through entity requirements.

Any issues identified during the reviews need to be followed up by the

pass-through entity to assure they are rectified appropriately and in a timely manner by the subrecipient.

After the review of the subrecipient financial report is complete, the pass-through entity should send a management decision letter to the subrecipient informing them of the results of the review. (A management decision template that can be used to prepare the letter is available at [kevinharpercpa.com](http://kevinharpercpa.com)). This management decision is required to be issued within six months after the pass-through entity's receipt of the subrecipient financial report. For each finding noted in the review, ask for a CAP from the subrecipient.

Although the auditee is required to include their response to each finding in the schedule of findings within a single audit report, such management's response does not usually include all required elements of a CAP.

The uniform guidance requires pass-through entities to review all programmatic reports that they require subrecipients to submit. The purpose of the review of programmatic reports should be to determine whether there are any indications that the subrecipient is not complying with the provisions of the subaward agreement or the federal program. The pass-through entity should obtain a CAP from the subrecipient for noncompliance noted, should review the plan to assure it is adequate and should monitor that the plan is implemented adequately and in a timely manner. Reviews of programmatic reports should be documented and maintained in subrecipient files.

## ► STEP 6 | Develop Data Collection System

A significant amount of information will be collected and maintained related to

a subrecipient monitoring program, including but not limited to:

- Completed risk assessment questionnaires
- Risk assessment summary with numerical risk score for each subrecipient
- Monitoring procedures selected to be performed
- Due date for each monitoring procedure
- Name and title of the person responsible for performing each monitoring procedure
- Annual financial statements (single audit reports, if applicable)
- Programmatic reports filed by subrecipient
- Grants, contracts, memorandums of understanding
- Summary of expenditures, list of payments to subrecipient
- Corrective action plans, including progress toward or resolution of each finding
- List of monitoring tasks performed and results of each
- Dates due and submitted for each financial and programmatic report
- Findings from reviews of financial and programmatic reports
- Status of outstanding issues including:
  - Late financial or programmatic reports
  - Uncleared findings
  - Corrective action plans in progress

The pass-through entity should develop and document its subrecipient monitoring policies and procedures. These policies and procedures should address a data collection system that allows information shown above to be

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entered into an electronic database and accessed by all pass-through entity employees that interact with subrecipients.

## Conclusions

The uniform guidance is the new normal. The intent is to ensure that local governments are good stewards of public funds, and the way to ensure good stewardship is to have standards that are observable, measurable, and have the intended impact. The uniform guidance requirements have made San Mateo County better for its ability to assure that it can continue to do what it has always done: provide high quality services to those most in need. The new resources, tools, and partnerships in place have ensured that the county's nonprofit partners are financially sound, have strong administrative structures, have high-quality services, and are able to deliver services to the county's most vulnerable populations. 📌

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