

SUBAWARDS AND FEDERAL REQUIREMENTS

This publication is funded in part by a grant
from the U.S. Forest Service, Department of Agriculture.
DNRC is an equal opportunity provider.

SOURCE OF SUBAWARD FUNDS

A FEDERAL AGENCY is allocated funds by Congress and awards grants to Recipients.



A RECIPIENT receives a grant and passes through funds to a Subrecipient.



A SUBRECIPIENT receives a subaward and completes a project.

In this case ...

Federal Agency
=
**USDA Forest
Service**



Recipient
=
MT DNRC



Subrecipient
=
You

Note that DNRC is also called a “pass-through entity”
because it **passes federal grant dollars through** to a subrecipient.

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graph LR; A[Allocation] --> B[Award]; B --> C[Subaward]
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Allocation

Award

Subaward

At all three stages, funds are considered **federal**,
and specific rules and laws apply.

The rules “pass through,” just like the funds.

**FIVE RESPONSIBILITIES THAT COME
WITH FEDERAL FUNDS**

RESPONSIBILITY I: MEET THE GOALS AND REQUIREMENTS OF THE FEDERALLY-FUNDED PROGRAM

These are described in a number of documents
(i.e. the RFP, proposal, and subaward agreement).

REQUEST FOR PROPOSAL (RFP) OR OTHER ANNOUNCEMENT

The RFP is an invitation to apply for funding. It contains a description of

- the goals of the federally-funded program.
- allowable costs and activities.

Request for Proposals (RFP) 2018 Western Wildland Urban Interface Grant Program

July 11, 2017

The Montana Department of Natural Resources and Conservation is now accepting applications for the 2018 Western Wildland Urban Interface (WUI) Grant Program.



FY 2018 Urban Forestry Program Development Grant Overview & Application

THE SUBRECIPIENT'S PROPOSAL OR APPLICATION

In the proposal, a subrecipient describes the project and explains how its outcome will meet the goals of the federally-funded program.

The subrecipient is expected to **complete the project and meet stated goals** as described.

Proposed Project Outcome

The project will expand the biomass heating capacity at Greenough Valley Hospital in Pine County, increasing the use of biomass on site by 215 percent.

SUBAWARD AGREEMENT

The subaward agreement

- documents the legal relationship between subrecipient and DNRC.
- describes each party's roles and responsibilities.

Subrecipients **must comply** with the agreement's terms and conditions.

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|--|-------------------|------------|----------------|--|-------------------|------------------|------------|-------------------|-------------|------------|--------------------|--|-------------|-----------|-------|-----------|-----------------|-----------|---------|-----------|
| Maximum amount under this Subaward Agreement: | | | | \$275,000.00 | | | | | | | | | | | | | | | | |
| <u>Source(s) of Funds</u> USDA FS Grant # 15-DG-11010000-018; CFDA # 10.664 | | | | <table border="1"><tr><td>Subaward #</td><td>WSF-14-020</td></tr><tr><td>Amendment #</td><td>N/A</td></tr><tr><td colspan="2">Approved by</td></tr><tr><td>FD - Fiscal</td><td>AB</td></tr><tr><td>Legal</td><td>CD</td></tr><tr><td>Project Manager</td><td>EF</td></tr><tr><td>FOR DIV</td><td>GH</td></tr></table> | | | Subaward # | WSF-14-020 | Amendment # | N/A | Approved by | | FD - Fiscal | AB | Legal | CD | Project Manager | EF | FOR DIV | GH |
| Subaward # | WSF-14-020 | | | | | | | | | | | | | | | | | | | |
| Amendment # | N/A | | | | | | | | | | | | | | | | | | | |
| Approved by | | | | | | | | | | | | | | | | | | | | |
| FD - Fiscal | AB | | | | | | | | | | | | | | | | | | | |
| Legal | CD | | | | | | | | | | | | | | | | | | | |
| Project Manager | EF | | | | | | | | | | | | | | | | | | | |
| FOR DIV | GH | | | | | | | | | | | | | | | | | | | |
| <u>Fund</u> | <u>Subclass</u> | <u>Org</u> | <u>Percent</u> | <u>Amount</u> | <u>Expiration</u> | <u>Amendment</u> | | | | | | | | | | | | | | |
| 23456 | 55512 | 78910 | 100% | \$270,000.00 | 01/01/2014 | N/A | | | | | | | | | | | | | | |
| Workers Comp: <input checked="" type="checkbox"/> N/A <input type="checkbox"/> Attached <input type="checkbox"/> Exempt <input type="checkbox"/> Will be forwarded | | | | | | | | | | | | | | | | | | | | |

HAZARDOUS FUELS PROGRAM **SUBAWARD AGREEMENT** SMITH MOUNTAIN FOREST AREA

This Subaward Agreement (Subaward) is accepted by Best Forest Practices Group, hereinafter referred to as the "Subrecipient," Federal ID No.12-3456789, DUNS# 012345678, and represented by Louie Penny, Executive Director, 123 Main Street, Forest Park, Montana 50000-1234, telephone (406) 123-4567, according to the following terms and conditions.

**RESPONSIBILITY 2: MANAGE FUNDS IN
COMPLIANCE WITH 2 CFR 200 AND
OTHER LAWS AND RULES**

2 CFR 200

- Subrecipients must manage subaward funds in compliance with 2 CFR 200, also known as the **Uniform Guidance**.
- The guidance is a set of administrative rules and cost principles that apply to federal grants and subawards, issued by the federal Office of Management and Budget.
- The provisions are online at www.ecfr.gov.
- Select Title 2 and Part 200.



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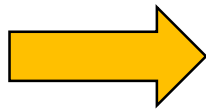
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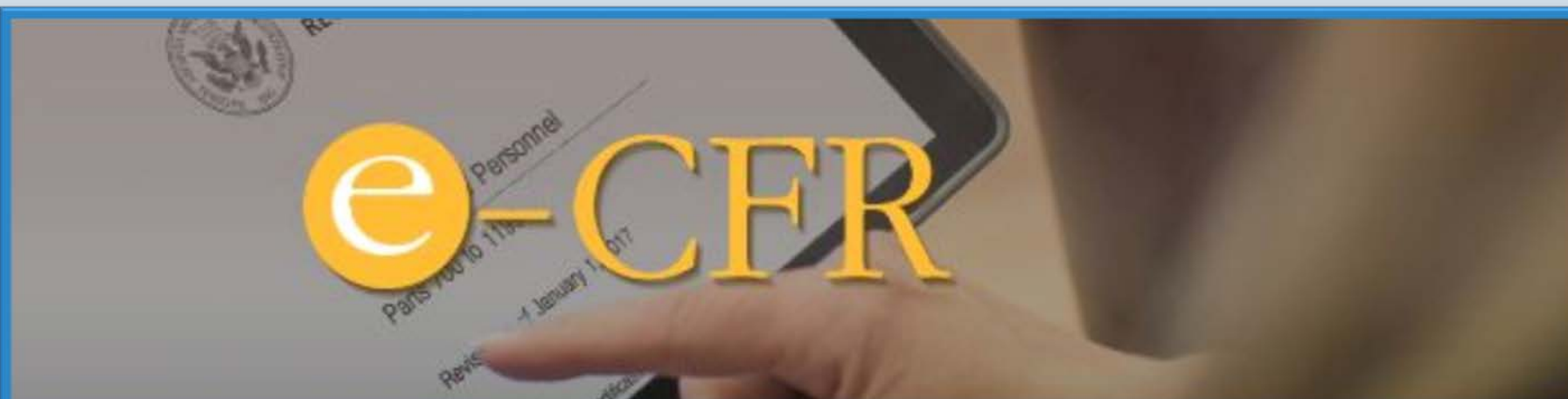
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| Title 2 Grants and Agreements | 1 | Subtitle A—Office of Management and Budget Guidance for Grants and Agreements | | |
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| | | II | 200-299 | OFFICE OF MANAGEMENT AND BUDGET GUIDANCE |

2 CFR 200 SUMMARIZED

Subaward funds must be managed in a **reasonable and prudent** manner to benefit

- the federal grant program.
- beneficiaries – those whom Congress intended to ultimately benefit from the federal award.



2 CFR 200 SUMMARIZED

Examples of **beneficiaries** include ...

an attendee at a subaward-funded conference.

students whose school is heated by a subaward-funded biomass boiler.

residents of a city that used subaward funds to plant trees.

landowners who have hazardous fuel removed from their property,
paid in part by a subaward.

2 CFR 200 SUMMARIZED

Subrecipients must expend subaward funds only for **allowable costs** — those that are

- necessary, reasonable, and allocable to the project.
- included in the project budget.

Allowable costs are further discussed in the RFP, application, and subaward agreement.

Request for Proposals (RFP) 2018 Western Wildland Urban Interface Grant Program July 11, 2017

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Western Wildland Urban Interface (WU

| FOR DNRC USE ONLY | | | | | | |
|---|----------|-------|---------|--------------|------------|---------------------------|
| Maximum amount under this Subaward Agreement: \$275,000.00 | | | | | | Subaward # Amendment # |
| Sources of Funds USDA FS Grant # 15-DG-11010000-018; CFDA # 10.864 | | | | | | WSF-14-020 N/A |
| Approved by | | | | | | FD - Fiscal |
| Legal | | | | | | AB |
| Project Manager | | | | | | CD |
| FOR DIV | | | | | | EF |
| | | | | | | GH |
| Fund | Subclass | Org | Percent | Amount | Expiration | Amendment |
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FY 2018 Urban Forestry Program Development Grant Overview & Application

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2 CFR 200 SUMMARIZED

Subrecipients
must maintain
adequate
**internal
controls** —
i.e. processes
or policies
designed to



minimize the chance of fraud, waste,
or abuse of subaward funds.



reasonably assure subaward funds
are managed in compliance with
applicable laws and rules.

2 CFR 200 SUMMARIZED

When purchasing goods or services with subaward funds, subrecipients must follow **requirements for procurement**. Although requirements vary by the type of entity and the purchase amount, they generally include:

conducting a cost or price analysis for every procurement.*

avoiding conflict of interest in the procurement.

retaining documentation to support the approach to procurement.

*Would a reasonable and prudent person purchase the item at this price to meet this need?

2 CFR 200 SUMMARIZED

Further discussion of the Uniform Guidance is found in DNRC's **subaward manual**, online at:

http://dnrc.mt.gov/divisions/forestry/docs/business-management/2017_subawardmanual.pdf

Montana Department of Natural
Resources and Conservation
Forestry Division
Subaward Manual



2 CFR 200 SUMMARIZED

The federal government also provides **training in the Uniform Guidance.**

Free modules are online at

<https://cfo.gov/grants/training/>

FINAL NOTE ON MANAGING SUBAWARD FUNDS

Subrecipients
also need to
manage their
subaward
funds to
comply with
relevant ...



federal, state, and local laws.



policies and procedures in their organization.



agency program guidelines.

**RESPONSIBILITY 3: PARTICIPATE IN
DNRC MONITORING ACTIVITIES**

SUBAWARD MONITORING

By entering into the subaward agreement, both the subrecipient and DNRC agree to share in the responsibilities of completing the project and managing subaward funds.

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| This Subaward, awarded and administered by the Montana Department of Natural Resources and Conservation (DNRC), is consistent with the policies, procedures and objectives of the Cooperative Forestry Assistance Act of 1978, Public Law 95-313, as amended. This Subaward is awarded under federal grant 15-DG-11010000-018, Consolidated Payments Grant, executed on 101/01/2011, from the United States Department of Agriculture – Forest Service (USFS) and Catalog of Federal Domestic Assistance (CFDA) number(s) 10.664, "Cooperative Forestry Assistance." | | | | | | |

SUBAWARD MONITORING

As a pass-through entity, DNRC's responsibility is to monitor a subrecipient's



project accomplishments.



policies and processes – to ensure compliance with the laws and rules governing the subaward.



project expenses charged to the subaward.

SUBAWARD MONITORING

DNRC monitoring activities typically include

- emails
- phone calls
- trainings
- desk reviews
- site visits



Activities usually entail outreach or requests for documentation or information.

SUBAWARD MONITORING

To assist with monitoring, subrecipients are typically required to submit **project performance reports**.

Report content and timeframes are described in the subaward agreement.

SECTION 8. REPORTS. Quarterly progress reports for the periods ending each *March, June, September* and *December* must be submitted to the DNRC during the term of this Subaward. Reports will provide status information for each project implementation objective. Project status information will include, at a minimum, the percentage completed, costs incurred, funds remaining, and projected completion date. Quarterly reports must be submitted to DNRC within thirty (30) calendar days following the close of the quarterly period. **The first quarterly report is due on July 31, 2017.**

**RESPONSIBILITY 4:
COMPLETE THE PROJECT**

PROJECT COMPLETION

The subrecipient is required to complete the project according to the **scope and scale outlined in the subaward agreement.**

SECTION 4. PROJECT SCOPE. (a) The Subrecipient must use the proceeds provided pursuant to this Subaward to perform allowable activities under the Program. **The key outcome of the project is completion of approximately 40 fuels mitigation projects on 400 acres of private property in the project area.** (b) The Program Development Project Proposal submitted by the Subrecipient attached hereto as Appendix A further describes the projects and activities to be performed by the Subrecipient and required dates of completion.

**RESPONSIBILITY 5: REQUIRED
ACKNOWLEDGEMENTS & STATEMENTS**

ACKNOWLEDGEMENTS

Subrecipients are encouraged to give **public notice** of the receipt of their subawards in press releases or other notices. When this occurs, subrecipients are required to include a statement such as the following:

The funding for this project is derived in full or in part from a federal award of the U.S. Forest Service, Department of Agriculture, subawarded by the Montana Department of Natural Resources and Conservation, Forestry Division.

ACKNOWLEDGEMENTS

Subrecipients are **required to acknowledge** USFS and DNRC (as appropriate) in materials developed as a result of subaward funds, such as:

publications

audiovisuals

electronic
media

signs

ACKNOWLEDGEMENTS

Before using USFS or DNRC insignia on any published media:

- Subrecipients must request written permission from the USFS and DNRC for the use of their respective logos.
- Examples of published media include webpages, printed publications, or audiovisual productions, or signs.



REQUIRED STATEMENTS

A nondiscrimination statement must also be included on any published media. If space permits, subrecipients are required to include the following:

In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.)

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REQUIRED STATEMENTS

If the material is **too small** for the full statement, it must at minimum include the following statement, in print size consistent with the rest of the publication:

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**FOR MORE INFORMATION ABOUT
FEDERAL REQUIREMENTS**

Contact DNRC Forestry Division
at (406) 542-4300.