

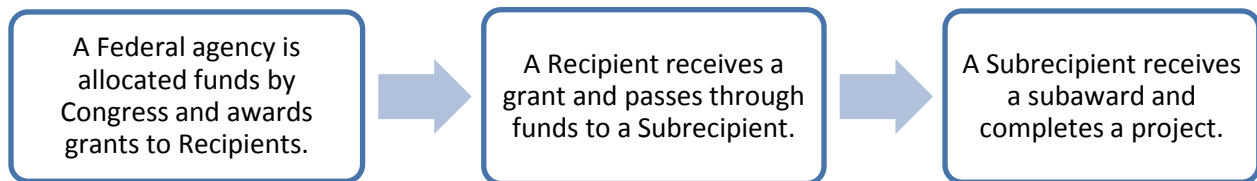


MONTANA DNRC-FORESTRY DIVISION SUBAWARD PROGRAM

FAQS ABOUT BEING A SUBRECIPIENT OF FEDERAL FUNDS

WHAT IS THE SOURCE OF MY SUBAWARD FUNDS?

Your subaward funds come to you through a series of grant agreements. Funds are passed from the federal government, to Montana DNRC-Forestry Division, to you — that is, from federal agency, to recipient, to subrecipient:



At all stages — from the initial federal allocation, to the grant, to your subaward — funds are considered **federal**, and specific laws and rules apply.

WHAT KINDS OF RESPONSIBILITIES COME WITH FEDERAL FUNDS?

Your responsibilities for managing these funds are as follows:

(1) Accomplish the goals of the federally-funded program, as described in these documents:

- **DNRC’s request for project proposal (RFP) or other application process**, which invites eligible subrecipients to apply for funding and clearly outlines program goals.
- **The subrecipient’s application or proposal**, wherein you describe your project and how its outcome will meet the goals of the subaward program.
- **The subaward agreement**, documenting the legal relationship between you and DNRC and describing each party’s roles and responsibilities.
- **Other federal, state, or programmatic requirements or guidelines**, to which you will be directed by your DNRC program manager.

(2) Manage subaward funds in compliance with federal grant administrative rules and cost principles (2 CFR 200) and other applicable laws and rules, summarized as follows:

- Managing your subaward funds in a **reasonable and prudent** manner for the benefit of the federal grant program and its intended beneficiaries (those whom Congress intended to ultimately benefit from the federal award).

- Expending subaward funds only for **allowable costs** — ones that are necessary, reasonable, and allocable to the project. Allowable costs are usually described to various degrees in the RFP, application, and subaward.
- Maintaining adequate **internal controls**: that is, processes or policies designed to minimize the chances of fraud, waste, or abuse of subaward funds and provide reasonable assurance that subaward funds are being managed in compliance with applicable laws and rules.
- Following **requirements for procurement** when purchasing goods or services with subaward funds. Although requirements vary based on type of entity and the size of the purchase, they all entail (a) some form of cost or price analysis for every procurement (“Would a reasonable and prudent person purchase this item at this price to meet this need?”) and (b) avoidance of any conflict of interest in procurement decisions.
- Complying with any **federal, state, and local laws, as well as the policies and procedures** that have been established by your organization.

(3) Participate in DNRC monitoring activities:

By entering into the subaward agreement, both you and DNRC agree to share in the responsibilities of completing the project and managing subaward funds. DNRC, as a pass-through-entity, is responsible for monitoring your project accomplishments and the policies and processes of your organization to ensure compliance with the laws and rules that govern your federal subaward. Typical DNRC monitoring activities range from the informal (emails and phone calls) to formal (trainings, desk reviews, and site visits).

(4) Complete the project:

You are expected to complete your project, according to the scope and scale outlined in your subaward agreement.

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