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Overview

- American Rescue Plan Act ("ARPA") was signed into law in 2021 to provide support to state & local governments in recovering from COVID-19
- Under ARPA the Town is able to provide a subaward to another entity to carry out part of the program.
- This entity then becomes a subrecipient of the ARPA and is subject to all applicable laws and regulations as outlined in the Code of Federal Regulations (CFR), including ensuring subrecipients comply with the State and Local Fiscal Recovery Funds (SLFRF) statute, SLFRF Award Terms and Conditions, Treasury's interim final rule and final rule, applicable federal statutes, regulations, and reporting requirements.



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Subrecipient Monitoring

- Four main categories of responsibility throughout the term of the project:
 1. Subaward Identification
 2. Risk Evaluation
 3. Monitoring
 4. Closeout



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Subaward Identification

Identify all parties and their obligations.

- Entity must provide all required background information. Entity information must be verified against active SAM.gov registration.
- Entity must review and agree to all requirements to be imposed on subrecipients so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.
- Entity must review and agree to any additional requirements to be imposed on subrecipients for the Town to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports.



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Subaward Identification

Identify all parties and their obligations.

- Entity must agree to the requirement that the subrecipient permit the Town and its auditors to have access to the subrecipient's records and financial statements as necessary for the Town to meet the requirements of the CFR. Reporting is completed on a quarterly basis.
- Entity must agree to appropriate terms and conditions concerning closeout of the subaward in a timely manner.



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Risk Evaluation

Evaluate and conclude on risk of noncompliance to determine appropriate subrecipient monitoring.

- Entity must provide detailed information to aid in risk evaluation including:
 - Prior experience with the same or similar subawards
 - Results of any previous audits including whether the entity received a Single Audit in accordance with § 200.500 and the extent to which the same or similar subaward has been audited as a major program
 - Details around new personnel or new or substantially changed systems
 - Internal control environment at the entity



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Risk Evaluation

Evaluate and conclude on risk of noncompliance to determine appropriate subrecipient monitoring.

- Based on the information provided the Town will evaluate and make conclusions on the entity's financial stability, quality of management systems, record in managing Federal awards, findings from audits performed, and ultimately, the applicant's ability to effectively implement statutory, regulatory, and other requirements.



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Monitoring

Ensure the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward.

- If a subaward is granted, the Town is required to monitor the use of the subaward funds throughout the course of the period of performance.
- Recordkeeping Requirements**
 - The Subrecipient shall maintain records, books, documents, and other materials relevant to the project. These records shall be subject to inspection, review, and audit by the Town or its designees, the State, and the Federal Awarding Agency for five (5) years following termination of the agreement.
 - If it is determined during the course of the audit that the Subrecipient was reimbursed for unallowable costs under the agreement the Subrecipient agrees to promptly reimburse the Town for such payments upon request.
 - If a Subrecipient is notified by the Town of Warrenton in writing, or if other applicable laws and regulations as described in 24 CFR 570.490 apply to a project, the record retention period may be extended. If any litigation, public information request, claim, or audit is started before the expiration of the record retention period, the records must be kept until the action has been fully resolved.



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Monitoring

Ensure the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward.

- Grant Reporting Requirements**
 - Subrecipients will submit a Project and Expenditures Report to the Town each quarter. The report will include detailed information on the status and progress by the Subrecipient in completing the work described in the Statement of Work and Approved Program Budget.
 - The report should also detail the expenditure of funds under the Subaward Agreement, in addition to any other information requested by the Town. Subrecipients should include any significant events or activities that occurred during the quarter. This report will also outline the status of the funds, show obligations, and receipts of program income, cash or in-kind contributions to the project, regardless of whether a local match is required.

Quarter	Period Covered	Due Date
1	January 1 – March 31	April 15
2	April 1 – June 30	July 15
3	July 1 – September 30	October 15
4	October 1 – December 31	January 15



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Closeout

Final check subaward was spent within program timeline and regulations.

- The entire subaward must be encumbered by the subrecipient no later than June 30, 2024.
- The entire subaward must be spent by the subrecipient no later than December 31, 2026.
- Subrecipient must undergo audit as required by Subpart F of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501.

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