



TOWN OF WARRENTON, VIRGINIA
ARPA Subrecipient Guide

Overview

On March 11, 2021, the American Rescue Plan Act (“ARPA”) was signed into law and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, which together make up the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) program. This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

The SLFRF program provides funding for local response efforts as long as they fit into the following statutory categories:

1. To respond to the COVID-19 public health emergency or its negative economic impacts;
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to such eligible workers of the recipient, or by providing grants to eligible employers that have eligible workers who performed essential work;
3. For the provision of government services, to the extent of the reduction in revenue of such recipient due to the COVID-19 public health emergency, relative to revenues collected in the most recent full fiscal year of the recipient prior to the emergency; and
4. To make necessary investments in water, sewer, or broadband infrastructure.

This information in this Subrecipient Guide is provided as reference for the financial and programmatic requirements and responsibilities of projects funded through the SLFRF program.

Eligibility Requirements

All Subrecipients are required to complete the Subrecipient Information and Pre-Award Risk Assessment and submit it, along with documents requested via the assessment, prior to processing the subaward agreement. The Subrecipient Information and Pre- Award Risk Assessment is used to determine the Subrecipient's ability to provide adequate internal controls, sound accounting practices, and sufficient written procedures in order to prevent fraud, waste, abuse and misuse of funds in addition to determining the monitoring plan for the subrecipient.

As of April 04, 2022, all Subrecipients must have an active Unique Entity Identifier (UEI) number to receive federal funding. The DUNS number will no longer be used for Federal funding. Subrecipients must register with the System for Awards Management (SAM) database <https://www.sam.gov> to receive a UEI number. SAM.gov is the primary registrant database for the U.S. Federal Government and Subrecipients are required to update or renew their registration at least once per calendar year to maintain active status. Failure to maintain an active status could potentially result in de-obligation of all federal funds.

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Compliance with Applicable Laws and Regulations

Uniform Administrative Requirements

Subrecipient's performance under the subaward agreement is subject to the applicable requirements published in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Title 2 of the United States Code of Federal Regulations (C.F.R.) part 200 hereinafter referred to as the "Uniform Guidance."

Audit Requirement of Federal Fund (2 CFR §200.501)

Any non-profit organization, institution of higher education, or local government that expends \$750,000 or more during their fiscal year from all Federal awards must have a single audit conducted in accordance with §200.514 of the Uniform Guidance. Audit reports must be forwarded Town of Warrenton on an annual basis during the active period of performance as a Subrecipient.

Debarment and Suspension (2 CFR §180)

It is the policy of the federal government to conduct business only with responsible persons. A system for debarment and suspension from programs and activities involving federal financial and non-financial assistance and benefits exists to assist agencies in carrying out this policy.

Subrecipients receiving federal funds must certify that they will adhere to Federal Executive Order 12549, Debarment and Suspension. By signing the Subaward Agreement, the Subrecipient certifies that neither the Subrecipient nor its principals have been suspended or debarred from participation in federal grants.

The Subrecipient must not make any lower-level subaward, or enter into any contract for \$25,000 or more, with parties that are debarred, suspended, or otherwise excluded or ineligible for participation in federal programs or activities. See Contract and Procurement section for verification steps.

Discrimination & Civil Rights

Statutes and regulations prohibiting discrimination applicable to this award, include, without limitation, the following:

1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 22, which prohibit discrimination on the grounds of race, color, or national origin under programs or activities receiving federal financial assistance;
2. The Fair Housing Act, Title VIII-IX of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), which prohibits discrimination in housing on the basis of race, color, national origin, sex, familial status, or disability;
3. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicap under any program or activity receiving or benefitting from federal assistance;
4. The Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101 et seq.) and Treasury's implementing regulations at 31 C.F.R. Part 23, which prohibit discrimination on the basis of age in programs or activities receiving federal financial assistance; and
5. The Americans with Disabilities Act of 1990, as amended (42 U.S.C. §§ 12101 et seq.), which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

Government-Wide Restrictions on Lobbying

All Subrecipients must comply with the provision of the government-wide Common Rule on Restrictions on Lobbying, as appropriate. The following lobbying cost prohibition is applicable to all Subrecipients of funding:

1. Attempting to influence the outcome of any Federal, State, or local election, referendum, initiative or similar procedure, through in-kind or cash contributions, endorsements, publicity, or similar activity; and

2. Establishing, administering, contributing to, or paying for the expenses of a political, campaign, political action committee, or other organization established for the purpose of influencing the outcome of elections.
3. Attempting to influence: (a) the introduction of Federal or State legislation; or (b) the enactment or modification of any pending Federal or State legislation through communication with any member or employee of the Congress or State legislature (including efforts to influence State or local official to engage in similar lobbying activity), or with any government official or employee in connection with a decision to sign or veto any legislation.
4. Publicity or propaganda purposes designed to support or defeat legislation pending before legislative bodies.
5. Paying, directly or indirectly, for any personal service, advertisement, telegram, telephone, letter, printed or written matter, or other devise, intended or designed to influence in any manner a member of Congress or a State legislature, whether before or after the introduction of any bill or resolution proposing such legislation or appropriation.
6. Engaging in legislative liaison activities, including attendance at legislative sessions or committee hearings, gathering information regarding legislation, and analyzing the effect of legislation, when such activities are carried out in support of or in knowing preparation for an effort to engage in unallowable lobbying.
7. Paying a publicity expert.
8. The Anti-Lobbying Act, 18 U.S.C. §1913, recently was amended to expand significantly the restriction on use of appropriated funding for lobbying. This expansion also makes the anti-lobbying restrictions enforceable via large civil penalties, with civil fines between \$10,000 and \$100,000 per each individual occurrence of lobbying activity. These restrictions are in addition to the anti-lobbying and lobbying disclosure restrictions imposed by 31 U.S.C. §1352.

Conflict of Interest

Subrecipient must understand and agree to maintain a conflict of interest policy consistent with 2 C.F.R. §200.318 (c) and that such conflict of interest policy is applicable to each activity funded under this award. Subrecipient must disclose in writing to the U.S. Treasury or through the Town as appropriate, any potential conflict of interest affecting the awarded funds in accordance with 2 C.F.R. §200.12.

Protection for Whistleblowers

In accordance with 41 U.S.C. § 4712, Subrecipient may not discharge, demote, or otherwise discriminate against an employee as a reprisal for disclosing information to any of the list of persons or entities provided below that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant. The list of persons and entities referenced includes:

1. A member of Congress or a representative of a committee of Congress;
2. An Inspector General;
3. The Government Accountability Office;
4. A Treasury employee responsible for contract or grant oversight or management;
5. An authorized official of the Department of Justice or other law enforcement agency;
6. A court of grand jury; and/or
7. A management official or other employee of Town of Warrenton, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.

Subrecipient shall inform its employees in writing of the rights and remedies provided under this section, in the predominant native language of the workforce.

Program and Fiscal Responsibilities

Recordkeeping Requirements

The Subrecipient shall maintain records, books, documents, and other materials relevant to its performance under this Agreement. 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 this Agreement. If it is determined during the course of the audit that the Subrecipient was reimbursed for unallowable costs under this Agreement or any, 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.

Grant Reporting Requirements

Subrecipients will submit a Grant Project and Expenditures Report to the Town of Warrenton each quarter. These reports should include the current status and progress by the Subrecipient and all subcontractors 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. In filling out the report, Subrecipients should include any significant events or activities that occurred during the reporting 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.

Quarterly Reporting Timelines for Grant Project and Expenditures Reports

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

If the 15th falls on a weekend, the report will be due the Friday before.

Reimbursements/Request for Funds

Grant funds will be disbursed based on the agreed upon procedures described in the ARPA Subaward Agreement. These processes may include reimbursement of expenses, lump-sum, or lump-sum installments.

For the reimbursement of expenses method, Subrecipients should complete a Grant Reimbursement Request Form. It is strongly recommended that the entity should request reimbursement monthly, when monthly expenditures are incurred. However, Subrecipients can request reimbursement quarterly. If requesting quarterly, Subrecipients must request reimbursement no later than 15 days after the end of each quarter for all expenses incurred during the quarter in its entirety. For example, the entity must request reimbursement for all expenses incurred for July, August, and September no later than October 15th. These reimbursement dates will coincide with the reporting timelines for the Grant Project and Expenditures Report.

Reimbursement will be based upon authorized and allowable expenditures, as outlined in this guide (see APPENDIX I), and be consistent with grant statement of work, project narratives, project budget details, and grant guidance. Payments may be withheld pending correction of deficiencies, or for the lack of supporting documentation.

Acceptable supporting documentation for proof of project expenses to include one of each of the following:

Proof of Purchase:

1. Invoices
2. Billing Statements only if it shows actual date(s) of service
3. Itemized receipts which detail what is being purchased.

Proof of Payment:

1. Bank Statements
2. Canceled checks
3. Credit Card Statements

Documentation for personnel expenses must follow Uniform Guidance 2 CFR 200.430(i) which requires salary and wage expenses to be based on records that accurately reflect the work performed. These records must:

1. Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
2. Reflect the total activity for which the employee is compensated; and
3. Support the distribution of the employee's salary or wages (along with allowable fringe benefits) among specific activities or cost objective if the employee works on more than the specified Federal award cost center.

As required by Uniform Guidance (2 C.F.R. §200.415(a)), any request for payment under this Agreement must include a certification, signed by an official who is authorized to legally bind the Subrecipient, which reads as follows:

"By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801- 3812)."

Determination of Subrecipient vs Contractor

Determination as to whether an entity is receiving federal funds as a Subrecipient or a contractor is found in 2 C.F.R. Part 200.331 and the below table.

SUBRECIPIENT	CONTRACTOR
<ul style="list-style-type: none">• Determines who is eligible to receive federal assistance• Has its performance measured according to whether the objectives of a federal program were met• Is responsible for program-related decision making• Must adhere to applicable federal program requirements specified in the federal award• Uses the federal funds to carry out a program for a specific public purpose as opposed to providing goods or services for the benefit of the pass-through entity	<ul style="list-style-type: none">• Has a procurement relationship with the nonfederal entity• Provides goods and services within normal business operations and to many different purchasers• Provides goods or services that are ancillary to the operation of the federal program• Normally operates in a competitive environment• Isn't subject to the compliance requirements of the federal program as a result of the agreement (though similar requirements may apply for other reasons)

Contract & Procurement

Subrecipients must follow the procurement regulations contained in 2 C.F.R. Part §200.317-327 when purchasing goods or services with federal funds. If a Subrecipient has a purchasing policy that is at least as stringent as the federal regulations, it should be followed.

General Procurement Standards (2 CFR §200.318)

Subrecipients must maintain written contract and procurement policies that are consistent with state and local laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward.

Subrecipients must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. The Subrecipient's procurement policies must include the following:

1. Conduct covering conflict of interest and governing of employees engaged in the selection, award, and administration of contracts;
2. Procedures to avoid unnecessary or duplicative items;
3. Regulation on awarding contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement;
4. Requirement to maintain records sufficient to detail the history or procurement, which should include: a. Rationale for the method of procurement, b. Selection of contract type, c. Contractor selection or rejection, and d. Basis for the contract price
5. The need for the Subrecipient to be responsible for the settlement of all contractual and administrative issues arising from the procurement.

Competition (2 CFR §200.319)

All procurement transactions for the acquisition of property or services required under a Federal award must be conducted in a manner providing full and open competition consistent with the standards of this section. When enlisting the help of a contractor to develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals, those contractors must be excluded from

competing for those procurements. Unfair practices considered restrictive to competition should be avoided. Example of these include:

1. Placing unreasonable requirements on firms in order for them to qualify to do business;
2. Requiring unnecessary experience and excessive bonding;
3. Noncompetitive pricing practices between firms or between affiliated companies;
4. Noncompetitive contracts to consultants that re on retainer contracts;
5. Organization conflicts of interest;
6. Specifying on a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
7. Any arbitrary action in the procurement process

Subrecipients must prohibit the use of statutory or administratively imposed geographical preferences in the evaluation of bids or proposals.

Written procedures for procurement transactions must be maintained by the Subrecipient. These procedures must ensure that all solicitations include a clear and accurate description of the technical requirements for the material, products, or service to be procured. It must also identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

Methods of Procurement (2 CFR §200.320)

Noncompetitive procurements can be awarded in accordance with the following informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost:

1. Micro-purchases – Acquisition of supplies or services in which the cost is less than the micro-purchase threshold
 - a. Federal micro-purchase threshold = \$10,000
 - b. Should distribute micro-purchases equitably among qualified suppliers when feasible
 - c. May be awarded without soliciting competitive price or rate quotations if the price is considered reasonable based on research, experience, purchase history, or other information and documents and files accordingly
 - d. Purchasing Cards may be used if the process is followed according to written procedures adopted by the Subrecipient
 2. Small Purchases – Acquisition of supplies or services in which the total cost is greater than the micro-purchase threshold, but less than the simplified acquisition threshold
 - a. Federal simplified acquisition threshold = \$250,000
 - b. Price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by the Town
 - c. The following formal procurement methods should be used when the value is greater than the simplified acquisition threshold (>\$250,000)
 3. Sealed bids – Procurement method in which bids are publicly solicited and a firm fixed-price contract is awarded to the bidder that:
 - a. Confirms to the material terms and conditions
 - b. Is the lowest in price
- Note: Sealed bids are preferred for construction contracts and must:
- a. Have complete, adequate, and realistic specifications or purchase description
 - b. Have two or more responsible bidders that are willing and able to compete effectively – documentation of lack of bidders must accompany procurement documents
 - c. Lend itself to a firm fixed-price contract that can be awarded principally on bidders price
 - d. Be publicly advertised
 - e. Have a predetermined time and place where the bids will be opened that is publicly advertised
4. Proposals – method in which either a fixed price or cost reimbursement type contract is awarded.

- a. Must be solicited from at least 3 offerors
- b. Must be publicly advertised
- c. Contracts awarded to most advantageous proposal, considering price and other predetermined factors
- d. Can be used for architectural/engineering services

Procurement and Contract Best Practices (2 CFR §200.321-322)

When appropriate and reasonable the Subrecipient should provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States.

The Subrecipient should take affirmative steps to ensure that minority businesses, women's businesses, and labor surplus area firms are used when possible and should include the following steps:

1. Place these firms on the solicitation lists
2. These firms are solicited when they are potential sources
3. Divide total requirements, when economically feasible, into smaller tasks or quantities to encourage participation by these firms, except for projects that are subject to the public bidding process
4. Require prime contractors who use subcontractors to follow these affirmative steps when appropriate

Contract Provisions for Non-Federal Entity Contracts Under Federal Awards (Appendix II, 2 CFR 200)

All contracts by the Subrecipient must contain the following applicable provisions described below:

1. Contracts >\$10,000 must address termination for cause and for convenience by the Town including the manner by which it will be effected and the basis for settlement
2. Contracts >\$250,000 must address breach of contract issues including sanctions and penalties
3. All "federally assisted construction contracts" must include clause for Equal Employment Opportunity
4. All prime construction contracts >\$2,000 must include compliance with the Davis-Bacon Act and the Copeland "Anti-Kickback" Act
5. It is prohibited to procure or renew contracts on telecommunications and video surveillance services or equipment from Huawei Technologies or ZTE Corporation, including any subsidiary or affiliate of these entities
6. Contracts and subgrants >\$150,000 must contain a provision of compliance with the Clean Air Act and the Federal Water Pollution Control Act
7. Contractors that apply or bid for an award >\$100,000 must file the required certification in accordance with the Byrd Anti-Lobbying Amendment
8. If the Federal award meets the definition of "funding agreement", contracts entered into with small business firms or nonprofit organizations for the purpose of experimental, developmental, or research work must include provisions of "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements"
9. All contracts >\$100,000 that employ mechanics or laborers must include a provision for compliance with Contract Work Hours and Safety Standards Act
10. No contract shall be awarded to a contractor included on the federally debarred bidder's list.

The list of entities that are not allowed to do business with the Federal government can be found at <https://sam.gov/content/exclusions>

Subrecipient Monitoring

Subrecipients will be monitored by the Town in accordance with the Town of Warrenton Subrecipient Monitoring protocols. Each Subrecipient is assigned to a monitoring tier based on a risk assessment that takes into account project budget, Subrecipient capacity and other factors. Subrecipients will be notified of monitoring procedures and compliance deadlines.

For projects that involve Subrecipients passing funding to lower-level Subrecipients, original Subrecipients must develop an infrastructure to monitor those lower-level Subrecipients. The infrastructure must include

sufficient internal controls to ensure compliance with applicable regulations and must include a risk assessment consistent with the Federal program guidance. Subrecipient agreements between original Subrecipients and lower-level Subrecipients must contain all applicable regulatory requirements.

Monitoring of the activities of the Subrecipients is necessary to ensure that the subaward is used for authorized purposes and performance goals are achieved. Monitoring activities must include:

1. Review financial and performance reports
2. Follow-up of timely and appropriate actions of deficiencies identified by the pass-through entity or auditors
3. Management response to audit findings is provided to Subrecipient
4. Resolution of audit findings of the related subaward
5. Record the above monitoring steps are completed and must be available to be provided to external auditor upon request

Compliance with program requirements and achievement of performance goals may be facilitated through:

1. Training and technical assistance on program-related matters
2. On-site reviews of Subrecipient program operations
3. Verification of audit requirements of the Subrecipient

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Grant Closeout (2 CFR §200.344)

The Subrecipient must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award.

Unless the Town authorizes an extension, the Subrecipient will liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.

The Subrecipient will promptly refund any balances of unobligated cash that the Federal awarding agency or pass-through entity paid in advance or paid and that is not authorized to be retained by the Town for use in other projects.

The Subrecipient will account for any real and personal property acquired with Federal funds received from the Town.

APPENDIX I

Eligible/Allowable Costs

Pursuant to 2 CFR § 200.403, costs must meet the following general criteria in order to be allowable as a charge against any Federal award:

1. Costs must be necessary and reasonable for the performance of the Federal award and be allocable to that award and not to a different award;
2. Costs must conform to any limitations or exclusions set forth in 2 CFR § 200 or in the Federal award as to types or amount of cost items;
3. Costs must be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the Subrecipient ;
4. Costs must be accorded consistent treatment;
 - a. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost;
5. Costs must be determined in accordance with generally accepted accounting principles (GAAP);
6. Costs must be adequately documented

Necessary Costs

Costs must be necessary expenditures of Federal funding in order to meet program objectives.

Unnecessary costs are those that are not required to achieve the objectives of the Subaward Agreement or not related to the program being implemented.

Reasonable Costs (2 CFR § 200.404)

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration must be given to:

1. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award;
2. The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, and other laws and regulations; and terms and conditions of the Federal award;
3. Market prices for comparable goods or services for the geographic area

Allocable Costs (2 CFR § 200.405 AND § 200.406)

A cost is allocable to a particular grant, Subrecipient Agreement, vendor contract, program or other cost objective if the goods or services involved are chargeable or assignable to that cost objective in accordance with relative benefits received. This standard is met if the cost:

1. Is incurred specifically for that cost objective;
2. Benefits both that cost objective and other work of the Subrecipient and can be distributed in proportions that may be approximated using reasonable methods; and
3. Is necessary to the overall operation of the Subrecipient and is assignable in part to the specified cost objective in accordance with Uniform Guidance.

Any cost allocable to a particular cost objective may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the Subrecipient from shifting costs that are allowable under two or more cost objectives in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.

If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship

of the work involved, then the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

Costs should only be charged net of all applicable credits. Applicable credits refer to those receipts or reduction-of-expenditure-type transactions that offset or reduce expense items allocable to the cost objective. Examples include:

1. Purchase discounts;
2. Rebates or allowances;
3. Recoveries or indemnities on losses;
4. Insurance refunds or rebates; and
5. Adjustments of overpayments or erroneous charges

To the extent that such credits accruing to or received by the Subrecipient relate to allowable costs, they must be credited to the Federal award either as a cost reduction or cash refund, as appropriate. These credits do not constitute program income.

Activity Delivery Costs

Direct costs are those costs that can be identified specifically with a particular cost objective and directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs.

Activity Delivery Costs are the costs of carrying out a specific program and providing a program benefit. Activity Delivery Costs include staff and consultant costs necessary to implement and carry out a specific program or cost objective.

Federal Requirements for Treatment of Special Types of Costs

Federal requirements place limitations on specific items of costs, including prohibiting certain costs from being charged to a federal award (notable examples include expenditures for lobbying, alcohol, and payment on uncollectable debts). These requirements are specific and enumerated in 2 CFR § 200.420 – § 200.475.

Subrecipients should review the following table of ALLOWABLE/UNALLOWABLE COSTS regarding costs and become familiar with them in order to carry out any Federal program. Note that this list is not an exhaustive list of costs. Please reference Uniform Guidance 2 CFR § 200.420 – § 200.475.

Category	Reference	Allowable Costs	Unallowable Costs
Advertising & Public Relations	§200.421	1)Advertising costs solely for: a) Recruitment of personnel required by the non-Federal entity for performance of a Federal Award b) Procurement of goods and services for the performance of a Federal award c) Disposal of scrap or surplus materials acquired in the performance of a Federal award	1)All advertising and public relations costs other than as specified in paragraphs (2) and (4) of this section; 2) Costs of meetings, conventions, convocations, or other events related to other activities of the entity, including: 3) Costs of promotional items and memorabilia, including models, gifts, and souvenirs; 4) Costs of advertising and public relations

		<p>d) Program outreach and other requirements of the Federal award</p> <p>2) Public Relations costs:</p> <p>e) Specifically required by the Federal award</p> <p>f) Communication with the public and press regarding specific activities or accomplishments</p> <p>g) General liaison duties to news media and government relations officers for public information</p>	designed solely to promote the non-Federal entity
Alcoholic Beverages	\$200.423	N/A	Unallowable as an entertainment expense
Audit	\$200.425	<p>1) A reasonably proportionate share of the costs of audits required by and performed in accordance with the Single Audit Act Amendments</p> <p>2) Financial Statement audit – indirect cost</p> <p>3) Pass-through entity charges for the cost of agreed-upon-procedure engagements to monitor subrecipients</p>	<p>1) Any costs when audits required by the Single Audit Act or other regulation have not been conducted or have been conducted but not in accordance therewith; and</p> <p>2) Any costs of auditing a non-Federal entity that is exempted from having an audit conducted under the Single Audit Act or other regulation because its expenditures under Federal awards are less than \$750,000 during the non-Federal entity's fiscal year.</p>
Bad Debts	\$200.426	N/A	1) Bad debts (debts which have been determined to be uncollectable), including losses (whether actual or estimated) arising from uncollectable

			accounts and other claims, are unallowable. 2) Related collection costs, and related legal costs, arising from such debts after they have been determined to be uncollectable are also unallowable.
Bonding	\$200.427	1) Bonding costs arise when the Federal awarding agency requires assurance against financial loss to itself or others by reason of the act or default of the non-Federal entity. 2) Costs of bonding required pursuant to the terms and conditions of the Federal award are allowable. 3) Costs of bonding required by the non-Federal entity in the general conduct of its operations are allowable as an indirect cost.	N/A
Compensation - personal services	\$200.430	Please reference Uniform Guidance §200.430 for all allowable & unallowable costs	Please reference Uniform Guidance §200.430 for all allowable & unallowable costs
Compensation - personal services	\$200.431	Please reference Uniform Guidance §200.431 for all allowable & unallowable costs	Please reference Uniform Guidance §200.431 for all allowable & unallowable costs
Conferences	\$200.432	As a sponsor or host to disseminate technical	Does not include

		<p>information beyond the non-Federal entity and is necessary and reasonable for successful performance under the Federal award. May include:</p> <ul style="list-style-type: none"> a) Facilities rental b) Speakers' fees c) Cost of meals & refreshments d) Local transportation e) Other incidental items 	entertainment or alcohol costs
Consulting & Professional Services	\$200.459	Specialized services to assist in carrying out the Federal award, but the fee is not contingent upon recovery of cost by the Federal Government	Fees charged by employees or officers of the entity
Entertainment	\$200.438	Specific costs that might otherwise be considered entertainment that have a programmatic purpose and are authorized in the approved budget for the Federal award	Amusement, diversion, and social activities and any associated costs
Equipment & Other Capital Expenditures	\$200.439	<ul style="list-style-type: none"> 1) Capital expenditures for special purpose equipment 2) Cost of equipment disposal if instructed by Federal agency 	<ul style="list-style-type: none"> 1) Capital expenditures for general purpose equipment, buildings, and land 2) Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life
Insurance	\$200.447	Insurance required or approved and maintained, pursuant to the Federal award	Actual losses which could have been covered by permissible insurance

Maintenance and Repair Costs	\$200.452	Costs incurred for utilities, insurance, security, necessary maintenance, janitorial services, repair, or upkeep of buildings and equipment (which neither add to the permanent value of the property nor appreciably prolong its intended life, but keep it in an efficient operating condition	Costs incurred for improvements which add to the permanent value of the buildings and equipment or appreciably prolong their intended life must be treated as capital expenditures.
Materials and Supplies Costs, including Costs of Computing Devices	\$200.453	Costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award	N/A
Memberships, subscriptions, & professional activity costs	\$200.454	1) Membership in business, technical, & professional organizations 2) Subscriptions to business, professional & technical periodicals 3) Membership in civic or community organizations (with prior approval)	1) Membership in any country club, social or dining club or organization 2) Membership in organizations whose primary purpose is lobbying
Organization Costs	\$200.455	Prior Approval of Federal awarding agency required	Costs such as incorporation fees, brokers' fees, fees to promoters, organizers or management consultants, attorneys, accountants, or investment counselor
Plant & Security costs	\$ 200.457	Necessary and reasonable expenses incurred for protection and security of	N/A

		facilities, personnel, and work products	
Publication and printing costs	§ 200.461	Publication costs for electronic and print media, including distribution, promotion, and general handling	N/A
Rental costs of real property and equipment	§ 200.465	1) Rental costs under "sale and lease back" arrangements 2) Rental costs under "less-than-arm'slength" Leases 3) Rental costs under leases which are required to be accounted for as a financed purchase	The rental of any property owned by any individuals or entities affiliated with the non-Federal entity, to include commercial or residential real estate, for purposes such as the home office workspace
Telecommunication costs and video surveillance costs	§ 200.471 § 200.216	Telecommunications and video surveillance services or equipment such as phones, internet, video surveillance, cloud servers	Equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or subsidiaries)
Training and education costs	§ 200.473	Training and education provided for employee development	N/A
Transportation costs	§ 200.474	Freight, express, cartage, postage, and other transportation services relating either to goods purchased, in process, or delivered	
Travel costs	§ 200.475	Transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the non-Federal entity.	Costs of travel by non-Federal entity-owned, -leased, or -chartered aircraft

APPENDIX II
Documents & Forms
Checklist to Determine Subrecipient or Contractor Classification

INSTRUCTIONS: Complete Sections 1 and 2 which describe the characteristics that may be present in subrecipient and contractor relationships. The section with the greatest number of marked characteristics indicates the likely type of relationship. The substance of the relationship should be given greater consideration than the form of agreement between the prime recipient and the outside entity. Section 3 should be used to provide a written justification for determining the proper relationship classification. Maintain a copy of this form in the subaward or procurement file.

DEFINITIONS FROM UNIFORM GUIDANCE (2 CFR, PART 200):

§200.86 Recipient

Recipient means a non-Federal entity that receives a Federal award directly from a federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients.

§200.69 Non-Federal entity

Non-Federal entity means a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

§200.92 Subaward

Subaward mean an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal Program. A subaward may be provided though any form of legal agreement, including an agreement that the pass-through entity considers a contract.

§200.93 Subrecipient

Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A Subrecipient may also be a recipient of other Federal award directly from a Federal awarding agency.

§200.22 Contract

Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award.

§200.23 Contractor

Contractor mean an entity that receives a contract as defined in §200.22 Contract.

NAME OF SUBRECIPIENT/CONTRACTOR ENTITY: _____

SECTION 1- SUBRECIPIENT

Description: A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship between the recipient and the subrecipient. Subrecipients may have one or more of the following characteristics:

- 1. May determine who may be eligible to receive Federal assistance under the program guidelines.
- 2. Has its performance measured in relation to whether objectives of a Federal program are met.
- 3. Has responsibility for programmatic decision making.
- 4. In accordance with its subaward agreement (which may be in the legal form of a contract), the subrecipient uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the recipient.
- 5. The subrecipient will not earn a profit under the agreement.
- 6. The subrecipient is required to contribute cash or in-kind match in support of the subaward.

SECTION 2 - CONTRACTOR

Description: A contract is for the purpose of obtaining goods and services for the recipients own use and creates a procurement relationship between the recipient and the contractor. A contractor relationship may have one or more of the following characteristics:

- 1. Provides goods and services within normal business operations;
- 2. Provides similar goods or services to many different purchasers;
- 3. Normally operates in a competitive environment;
- 4. Provides goods or services that are ancillary to the operation of the Federal program; or
- 5. The entity may earn a profit under the contract.

FINAL DETERMINATION:

SUBRECIPIENT CONTRACTOR

SECTION 3 - JUSTIFICATION

In determining whether an agreement between a recipient and another non-Federal entity reflects a subrecipient or a contractor relationship, the substance of the relationship is more important than the form of the agreement. Considering the characteristics checked above, provide a written justification for the final determination of either a subrecipient or contracting relationship.

Justification of Determination:

Prepared by: _____ Date: _____
Title: _____

QUARTERLY GRANT PROJECT AND EXPENDITURES REPORT

Organization Name: _____ Date: _____

Project Name: _____

Organization Address: _____

Primary Contact: _____ Email: _____

Project Status of Completion

Pick one that most represents the status of the project:

Not Started Completed less than 50% Completed 50% or more Completed

Reporting Period for this Report

JAN 1 - MAR 31 APR 1 - JUN 30 JUL 1 - SEP 30 OCT 1 - DEC 31

Accumulation Total

Current Expenditures \$	Cumulative Expenditures \$
Current Obligations \$	Cumulative Obligations \$

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).

Signature: _____ Date: _____

Print Name: _____ Title: _____

Attach Quarterly Expenditure, Obligations, & Progress Report

Quarterly Expenditure, Obligations, & Progress Report

Organization Name: _____

Project Name: _____

Report Date: _____

Reporting Period for this Report

__ JAN 1 - MAR 31 __ APR 1 - JUN 30 __ JUL 1 - SEP 30 __ OCT 1 - DEC 31

Expenditures for this Quarter

Date	Vendor/Payee	Description of Expenditure	Amount
Quarterly Total Reportable Expenditures (Must match Grant Project & Expenditures Report)			

Obligations for this Quarter

Date	Vendor/Payee	Description of Obligation	Amount
Quarterly Total Reportable Obligations (Must match Grant Project & Expenditures Report)			