

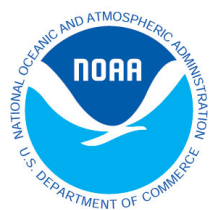
Monitoring and Oversight of Grant Programs and Grant Subrecipients: Lessons Learned from the U.S. Department of Commerce

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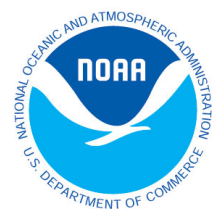
Subgrants/Subgrantees

- **Subgrantee: an organization that performs the activities of and administers a subgrant**
- **Subgrant: an award for an activity performed and administered by a subgrantee**



Accountability

- **The grantee is accountable to the federal awarding agency**
- **The subgrantee is accountable to the grantee**
- **Lower tier subgrantees are accountable to the next tier up subgrantee**



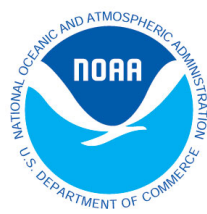
What kind of work is performed by the Subgrantee(s)

- The same kind of work that the grantee is authorized to do**
- A subgrant is a form of financial assistance**
- Purchases of goods or services for a grantee is not an activity of a subgrantee**



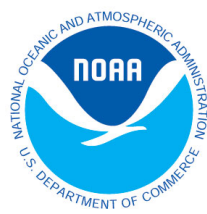
Requirements for subgrantees

- **Same as for a grantee**
- **Appropriate federal regulations apply: if the grantee is a State and the subgrantee is a non-profit organization, the federal rules and regulations applicable to non-profit recipients apply to the subgrantee**
- **In addition, the grantee (or higher tier subgrantee) may impose additional requirements on the subgrantee**
- **These requirements may be in addition to, but cannot nullify or diminish the federal requirements**



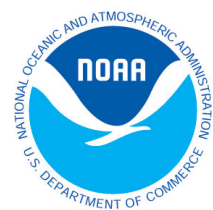
What Can Go Wrong?

- **Subgrantee is not aware of the federal requirements**
- **Grantee (or upper tier subgrantee) does not advise, assist, and direct the subgrantee in matters regarding administrative responsibilities**
- **Funds are expended without the proper oversight/accountability**
- **Project activities may not be accomplished**
- **Costs become questioned and disallowed**



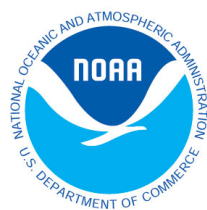
What To Do When Things Go Wrong

- **Refer to the application**
- **Refer to the award document and attachments**
- **Refer to the governing statute(s) for authorized activities**
- **Refer to the departmental regulations**
- **Point out the reasonableness of these requirements**
- **Point out that an agreement is in place – agreed to by both parties**



What are the Lessons Learned?

- **When a material amount of an award's performance will be done by a subgrantee, advise the grantee of its responsibilities regarding the subgrantee(s)**
- **Provide training to both the grantee and the subgrantee whenever possible**
- **Be available to both the grantee and subgrantee, but always remind the subgrantee that their agreement is with the grantee**
- **Try to make some kind of initial contact with the grantee to assess the subgrantee situation and offer help, if necessary**
- **Try to set up a working relationship between the grantee and subgrantee with appropriate reporting and measures for success**



Conclusion

- **The goal of any award is to fulfill the statutorily mandated activity while adhering to appropriately prescribed rules and regulations**
- **Subgrantees perform a vast array of activities under grants and are valued partners**
- **The targeted beneficiary of the activity is the loser if the awarding agency does not assume proper oversight for the grantee and the grantee for the subgrantee**
- **It is the responsibility of the grantee to ensure that the subgrantee is performing (and accounting properly for) federally sponsored activities**
- **It is the responsibility of the grant making agencies to ensure that properly authorized activities are awarded and administered correctly and as directed by Congress**