SPECIALTY CROP BLOCK GRANT SUBRECIPIENT WEBINAR
DECEMBER 7, 2021

IDAHO STATE DEPARTMENT OF AGRICULTURE

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Topics Discussed today

- SCBG Overview
- Quarterly Ledgers
- Procurement
- Travel
- Equipment vs. Supplies
- Reporting Requirements
- Unallowable Costs
- Budget Revisions
- Pass-through entity requirements

SCBG Overview

- As a sub-recipient you are held to all the USDA Terms & Conditions as well as all ISDA rules and regulations as set forth in your Disbursement Agreement

- Please review these documents carefully and reach out to ISDA with any questions. The Terms and Conditions vary slightly each year.

- Remember: it is ALWAYS better to ask for permission in advance than to ask for forgiveness afterwards. ☺

SCBG Overview

Must ALSO follow applicable cost principles:

➢2 CFR Part 220: Educational Institutions

➢2 CFR Part 225: State, Local, and Tribal Governments

➢2 CFR Part 230: Non-Profit Organizations

➢2 CFR Part 3052: OMB Circular A-133 Audit Requirements

Quarterly Ledgers- Sample

2019				**Specialty Crop Block Grant:**	*Title:*	*Your Project Title Here*			
					Entity:	Sub-Recipient Name Here			
				For the Period:		October 1 - December 31	2019		

Quarterly Financial Report - Grant Funds Only

Payment Method	Date	Vendor	Backup documentation label (A-Z)	Line item description *As listed on approved Line Item Budget*	Corresponding Budget Category *From approved Line Item Budget*	Expenditures occuring during this Quarter		Funds remaining
TOTAL AWARD							$	50,000.00
Credit Card	11/21/2019	Alaska Airlines	A	Economy Flight for John Smith to attend conference	Travel	$	500.00	49,500.00
Credit Card	11/21/2019	Enterprise Rental Car	B	Rental Car for John Smith to attend conference	Travel	$	115.00	49,385.00
Credit Card	11/23/2019	JW Marriott Hotel	C	Lodging for John Smith to attend conference	Travel	$	340.00	49,045.00
CK# 1001	11/24/2019	The Ad Agency	D	Creation of Marketing Brochures	Contractual	$	2,500.00	46,545.00
CK# 1001	11/24/2019	The Ad Agency	E	Printing Cost of Marketing Brochures	Contractual	$	375.00	46,170.00
								46,170.00
								46,170.00
								46,170.00
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								46,170.00
								46,170.00
Totals					**AMOUNT TO BE DISBURSED:**	$3,830.00	$	46,170.00

_____
Name of Person Submitting Ledger

_____
Date

Ledgers - Overview

Before submitting Quarterly Ledgers:

- Check the **Title** to make sure it matches what is listed in the Agreement. Please do NOT change the title to your own liking. It needs to match the project name.

- Check **Period Date Range** (No overlapping ledgers, and it needs to correlate to dates on back-up documentation).
  - If back-up documentation does not match ledger period, provide explanation as to why

- Check to make sure all fields have been completed for all ledger entries (i.e. check# or invoice#, date, vendor, line item description, budget category, expenditure, etc.).

- *Please check to make sure that everything you are submitting is part of your approved work plan*.

Ledgers-Ledger Budget Categories

Use only defined USDA budget categories and match them to your budget and work plan

Seven Budget Categories Specified by USDA

- Personnel
- Fringe
- Travel
- Equipment
- Supplies
- Contractual
- Other

Ledgers – Overview

- Count only expenses for that quarter
  - (if there is an expenditure from a previous quarter provide an explanation as to why it was not on previous ledger – i.e. Had not received invoice yet)

- Make sure each column is filled out on Ledger

- Email ledger. This email will act as a digital signature. ✉

- Provide proper supporting documentation for all expenses

Ledgers - Back up Documentation

Per [USDA- AMS Terms & Conditions:](#)

"Recipients must collect and maintain **source documentation** associated with costs incurred as a result of the Federal award and make it available to AMS upon request. Source documentation includes, but is not limited to: receipts, canceled checks, paid bills, payrolls, time and attendance records, contracts, invoices, and sub award documents. If recipients pays a portion of the total amount indicated on the source document, it must appropriately identify the specific expenses and total amount charged to the grant."

Source Documentation

USDA Site Visit to ISDA - 2013

- Through interviews with staff and a document review it was determined that ISDA did not originally collect source documentation in accordance with 7 CFR Part 3016.20(b)(6) and 2 CFR Part 225 Appendix A ¶C.1.j, which requires that accounting records be supported by adequate source documentation for ISDA to determine that costs are necessary and reasonable, allocable, and allowable. Consequently, all of the subgrant files for both grant agreements reviewed during the site visit (12-25-B-1065 and 12-25-B-1225) were incomplete.

Ledgers – Back up Documentation

- All entries on each ledger must be supported by source documentation. Please make sure the source documentation is legible and we can tell exactly what was purchased.

- If there is an unusual charge, please explain why it is relevant to the project. Feel free to write on the receipt or invoice.

Ledgers - Back up Documentation

Mark A, B, C on ledger and corresponding ledger receipts.

```
Operating Expenses
   E5724 Research Supplies
      14-APR-21        Z1016088      NT Popovl Pcard Recon 404745 Agilen      369.11  D
      14-APR-21        Z1016088      PopavIn 404745 Ellsworth Reagents n      118.48  C
      14-APR-21        Z1016088      PopavIn 404745 Idex Consumables nee       48.54  B
      14-APR-21        Z1016088      PopavIn 404745 ThermoFisher Consuma      480.82  A
      14-APR-21        Z1016088      PopavIn 404745 ThermoFisher Consuma      170.32  E
```

Financial Summary

	Total (USD)
Total Expenses Reported	2,842.40
Less Company Paid	2,842.40
Amount Due Expense Owner	0.00

Expense Summary

Expense Type	Total (USD)
Supplies	2,842.40
Total	2,842.40

Allocation

Allocations Charged		Total (USD)	
826717-224188 ISDA SCBG Nematode Control	826-02ORO-AGPOPI-	818.16	A,B,C,E
826727-223922 USDA APHIS FY19 PCN Eradication MM	826-02ORO-AGMOR	1,655.13	
826907-221394 NIFA Phosphorus Management	826-02ORO-AGSTR	369.11	D
Total		2,842.40	

For U of I example, label the itemized expenditure report, Chrome River Report AND individual receipt

Expense Details   Report ID: 0100-2240-4745

Expense Report   NT Popovl PCard Recon 02/15-02/28/2021

Item	Date	Alert	Cost Code	Type	Disb Amt	Pay Me Amt
7	02/26/2021		E5724	Supplies	48.54 USD	0.00 USD

Business Purpose
Description   Popavin 404745 Idex Consumables needed for sample analysis
Receipt Attached:Yes Firm Paid: Yes   Source: University of Idaho USBank P-Card

Banner Index	826717-224188 826-02ORO-AGPOP	ISDA SCBG Nematode C AGPOPI - Popova, Inna	48.54 USD B
	Account	E5724	
	Merchant	Idex	

8	02/26/2021		E5724	Supplies	118.48 USD	0.00 USD

Business Purpose
Description   Popavin 404745 Ellsworth Reagents needed for sample analysis
Receipt Attached:Yes Firm Paid: Yes   Source: University of Idaho USBank P-Card

Banner Index	826717-224188 826-02ORO-AGPOP	ISDA SCBG Nematode C AGPOPI - Popova, Inna	118.48 USD C
	Account	E5724	
	Merchant	Ellsworth	

9	02/27/2021		E5724	Supplies	369.11 USD	0.00 USD

Business Purpose
Description   Popavin 404745 Agilent Technologies Consumables needed for sample analysis
Receipt Attached:Yes Firm Paid: Yes   Source: University of Idaho USBank P-Card

Banner Index	826907-221394 826-02ORO-AGSTR 826717 - 224188	NIFA Phosphorus Mana Leave Location Code blank AGSTRD - AG Strawn, Daniel G.	369.11 USD D
	Account	E5724	
	Merchant	Agilent Technologies	

B-D

Ledgers - Back up Documentation

- Submit receipts for **all** expenses.

- Ensure costs are reasonable, allowable, and allocable.

- Maintain accurate records.

- Keep records for at least three years following grant end date.

Ledgers - Back up Documentation

Splits/Cost Share

- If you are splitting the cost of something (supplies, airfare etc.), with another project and only charging a portion of the invoice/receipt to your Specialty Crop Block Grant project then you need to include the other program code you are using to bill the other portion(s) to on the invoice/receipt. We need to keep track if it's another SCBG project.

- A split must make sense as well. It can be split by percentage, unit cost, acreage etc. However, it cannot just be an arbitrary number to make it work within the budget. Random splits raise red flags, and give the appearance that what you are charging to the SCBG project is not an accurate account of what should be allocated.

- If you are splitting travel costs be consistent. Example: all airfare, lodging, per diem is split at 50% with another project. Do not split airfare in half and then charge 100% of per diem to another project, but all of the lodging to this project.

Ledgers - Back up Documentation

Personnel/Salaries/Fringe

- Must provide payroll reports that show employees paid, dollar amount paid for each (broken down between salary and fringe), time period or pay date for each period paid, and grand total salary and fringe costs, that match what was reported on the ledger.

- For hourly employees: Provide timesheets or reports (can be incorporated into the payroll report) that show each employees **hours worked** for each pay period that is included in the ledger request. Cannot do a percentage of time unless the employee is paid 100% by the grant.

- For salaried employees: Complete the Exempt Employee Time Reporting Affidavit form provided by ISDA for each salaried employee.

- Any deviations for payroll incurred in a prior period needs documentation addressing why the payroll was not reported in the correct period and supporting documentation to verify the dates and hours worked.

- If there are any deviations from the work plan and budget on who is doing work on the grant, you must let ISDA know **before** requesting it on ledger for payment.

Ledgers - Back up Documentation

Personnel continued --

- Provide a staff list with the first ledger to identify who is who
- Submit an update anytime staff change

PERSONNEL

#	Name/Title	Level of Effort (# of hours OR % FTE)	Funds Requested
1	John Doe, Research Technician Sr.	25% year 1, and 20% year 2	$15,248
2	MS student	50% each year	$24,000
3	Summer worker1	240 hours each year	$5,760
4	Summer worker 2	240 hours each year	$5,760
5	Research Technician	15% each year	$10,166
6	IH worker	135 hours each year	$3,240

Ledgers - Back up Documentation

Travel

- All travel is governed by the State Travel Policy. See:
http://www.sco.idaho.gov/web/sbe/sbeweb.nsf/pages/trvlpolicy.htm

- Check all travel costs against what was written in your work plan (i.e. mode, type, timeframes, conferences identified, etc.).

- Individuals who travel must match to what was written in the work plan (i.e. employee A was identified as the sole traveler but travel costs for other employees are included - these would not be allowed without first asking for approval). Must get prior approval before deviations from work plan can occur.

- Vehicles – If you are claiming mileage for travel, then you cannot also claim direct vehicle expenses such as fuel, lube, etc. It is one or the other, but not both. If there are direct expenses such as lube and fuel for equipment such as tractors, then please explain on the receipt or ledger.

Ledgers - Back up Documentation

Travel (continued)

- For mileage, you will need to keep a log which has date, time, miles and vehicle. ISDA will NOT reimburse more than the Federal mileage rate regardless of what your own travel policy may state.

- Hotel bills need to include the name of the traveler and dates of the stay. Names of additional room guests (if room was shared) should be written on the invoice.

- Foreign Travel-Allowable with **prior** approval from USDA and ISDA. Each separate foreign trip must receive prior approval from USDA.

- All Other Travel-Allowable with **prior** approval from ISDA if not already included in the work plan or budget.
  - For 2020 grants forward, travel must ALSO be approved by USDA. *"Allowable for travel, when provided in the approved budget or with prior written approval"*

Ledgers - Back up Documentation

Meals

- They are considered per diem expenses and must be in accordance with the State Travel Policy

- Per diem is only allowable while in official travel status –

  Official travel status is when traveler is physically away from their official primary work station by a distance of 50 miles or more, or includes an overnight stay.

- Under State Travel Policy, lunch within 50 miles of work station is not eligible.

Ledgers - Back up Documentation

Airfare

- All airfare must be included in the budget; if not, prior approval from ISDA is required to make adjustments for 2018 and 2019 grants. USDA approval is required for each foreign trip. USDA approval is required for all travel for 2020 and 2021 grants.

- For foreign travel, must also comply with the Fly America Act, 49 U.S.C. 40101 *et. seq.* Use United States and EU member air carrier service for all travel and cargo transportation services funded by the United States Government. When traveling between countries, if there is not U.S. Carrier available, a foreign carrier may be used. If it is a code share, the flight must be booked with the U.S. carrier flight number.

- Must provide receipt that shows all payments for flights and itineraries

- First class or business class flights are unallowable – if you want to fly first class or business class you would need to pay the upgrade to first class out of non grant funds. Documentation must show that upgrade was paid separately.

- "Airfare costs in excess of the basic least expensive unrestricted accommodations class offered by commercial airlines are unallowable"
  - Unrestricted airfare is fully-refundable and fully–changeable

- ***Any deviation*** – you must print quote for unrestricted flight on **same day** of purchase

Ledgers - Back up Documentation
Airfare (continued)- Unrestricted Flight

Fri, Mar 16, 2018

| 2:54 pm | → | 4:44 pm | Nonstop |
| Boise, ID, US (BOI) | | Denver, CO, US (DEN) | 1h 50m total |

UA 357   Airbus A319

Select Offer

1. Economy Plus®

+ $77 per perso

Select

Revise flight   ▼ Details

Rectangular Snip

| MileagePlus earnings: | Base award miles | 3250 |
| | PQM \| PQS \| PQD | 974 \| 1.5 \| 650 |

Boise, ID, US (BOI) to Denver, CO, US (DEN)
2:54 pm - 4:44 pm (1h 50m)

UA 357 \| Airbus A319

United Economy (B)
(unrestricted)

Snacks for Purchase

Wi-Fi

Ledgers - Back up Documentation
Airfare (continued) – Unrestricted flight

Printed quote will have date of quote at bottom. Must be printed the same date actual airfare was purchased

Ledgers - Back up Documentation

Procurement/Bidding

- Does your organization have its own procurement policy? If so, please send a copy to ISDA. If not, the Idaho State Policy will need to be followed: https://purchasing.idaho.gov/

- If any contracts/services/equipment purchase equal or exceed $10,000 (aggregated) procurement procedures must be followed

- If =/> $10,000 aggregated, bidding process in which at least three bids are obtained

- Appropriate procurement documentation must be submitted before ledger payments can be made. This includes copies of the RFP and the respective bids from each vendor.

Ledgers - Back up Documentation

Contractual Costs

- When submitting contractual costs make sure they match what was written in the work plan and budget

- Major contracts ($10,000 or more) must be documented in the file with a copy of the contract between the subrecipient and the contractor in addition to copies of the procurement documents.

- Submit the copy that has been signed by BOTH parties.

- Contracts for less than $10,000 do not need to be submitted to USDA.

Ledgers - Back up Documentation

Equipment Purchases (Tangible Items Over $5,000)

- All equipment purchases must have prior approval from USDA.

- Make sure all equipment costs correlate with what is written in your work plan and budget.

- If any individual equipment purchase equals or exceeds $10,000, procurement documentation must be submitted before expenses are paid.

- Special Purpose vs General Purpose – general purpose equipment are unallowable under the grant. Special purpose equipment may be allowed.

- Inventory Tracking for Equipment: Annually you must sign a form, provided by ISDA, which will verify location of equipment. Additionally, ownership of equipment must be retained for life. If you want to dispose of equipment there are stringent federal disposal requirements. If so, let us know and we will work on the process with you.

Ledgers - Back up Documentation

Supplies (Tangible Items Under $5,000)

- Check all supplies against what was written in the work plan

- Make sure supplies are actually supplies and not equipment, for example

- If you need to change the type of supplies that are listed in your work plan and budget, notify us for approval beforehand of the change

- Office supplies such as printer toner, printers, paper, pens, pencils, etc. are considered shared use supplies that fall into overhead cost categories and will not be allowed
  - If requesting reimbursement of office supplies, provide concrete justification of how the supplies will be used <u>solely</u> for the project

Ledgers - Back up Documentation

Supplies

• Internal Journal entries such as U of I Chemstores are not sufficient

Chemstore backup with actual item purchased must accompany the journal entry

Ledgers - Back up Documentation

"Other"-

Publication Costs

- Allowable if in work plan and budget
- Provide copy of published article
- If you want to credit USDA on your printed materials they have strict guidelines and please check in with ISDA prior to ensure compliance.

Registration Fees/Conferences

- Allowable only if in work plan and budget
- Registration fees are allowable for attendance at conference if necessary to accomplishing project or program objectives
- Conferences are allowable if the primary purpose of attendance is dissemination of technical information and/or is reasonable for successful project performance under the grant
- Travel must be approved in the work plan

Ledgers- Proof of Payment

Proof of payment is required for all expenses. Acceptable proofs of payment may include:

- Copies of checks paid to vendor
- Copies of wire transfers made to vendor
- Copies of credit card statements and corresponding payment made to credit card company (copy of check payment or electronic payment verified on credit card statement)
- Report run from an acceptable accounting system

WRITTEN REPORTS

Annual Progress Reports

- Annual Progress Reports are due by November 15th of each year.

- List objectives and outcome indicators exactly as written in approved application

- Give detailed summary of accomplishments, challenges and upcoming activities

- Use format provided by ISDA found at ISDA's Specialty Crop Block Grant section of the website

WRITTEN REPORTS

Final Report

- Due 45 days following the end of the project

- List objectives and outcome indicators exactly as written in approved application

- Give detailed summary of accomplishments and any challenges

- Use format provided by ISDA found at ISDA's Specialty Crop Block Grant section of the website

Unallowable Costs

Costs need to be directly attributable to the grant project's goals and objectives and be included in the approved workplan and budget

Indirect Costs Unallowable by ISDA

- We do not accept indirect costs for reimbursement under the grant

Tuition Unallowable by ISDA

- We do not accept tuition as a cost under the grant
  - Some states do allow it but we have decided not to because tuition covers all of a student's educational course work and does not correlate directly to work done on the grant

Budget Revisions

- ALWAYS ask in advance to changes in your project.

- ISDA must approve in advance if cumulative changes between budget categories equal or exceed 10% of total project budget

- USDA must approve in advance any changes to the scope, objectives, or outcomes/indicators. Also, the addition of any equipment or *travel* needs pre-approval. Prior to 2020 grants, just international travel required pre-approval, but now it is ALL travel.

- To request budget changes, submit the following;
  - Revised Exhibit B- Line Item Budget
  - Revised workplan
  - ~~Strike through items to be removed~~ and <mark>highlight all additions</mark>.

Questions on topics to this point?

Additional training for Pass-through entities coming up next

RELEVANT DEFINITIONS

- *§2 CFR 200.74 Pass-Through Entity* – a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

- *§2 CFR 200.92 Subaward* – 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 through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

- *§2 CFR 200.93 Subrecipient* – a non-Federal entity that receives a subaward from a pass-through entity to carry out a 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 awards directly from a Federal awarding agency.

- *Contractor* – a non-Federal entity that receives a contract for the purpose of providing goods and services for the awarding non-federal entity's own use. The contract creates a procurement relationship with the contractor.

SUBRECIPIENT VS. CONTRACTOR

- **CHARACTERISTICS OF A SUBRECIPIENT:**
  - The entity has the ability to make decisions about how services will be delivered.
  - The entity is carrying out completion of the goal of the grant (or part, if applicable) as stated in the award.
  - Funding to the entity depends on the entity's ability to best meet the objectives of the award. Although performance is measured against Federal award objectives, the entity assumes little risk if the objectives are not met.
  - The entity will be reimbursed for only actual costs incurred.

SUBRECIPIENT VS. CONTRACTOR

- **CHARACTERISTICS OF A CONTRACTOR:**
  - Procurement policies were applied in the selection of the entity.
  - The entity's proposed price was a factor in the selection process.
  - The entity will derive a profit from the agreement.
  - The entity provides the same goods or services to other organizations.
  - The entity's normal business is to provide the goods or services being purchased in the agreement.
  - The entity assumes financial risk if they fail to deliver the goods or services agreed upon.

YOU HAVE A SUBRECIPIENT- NOW WHAT?

§2 CFR 200.311 contains the requirements for pass-though entities. These requirements MUST be met to be in compliance with Federal regulations.

Overview

- Pass-through Entity Acknowledgement
- Written subrecipient monitoring plan
- Contract between Pass-Through entity and Subrecipient
- Risk Assessment
- Audit
- Site Visit
- Record Keeping

PASS-THROUGH ENTITY REQUIREMENTS

§200.331 All pass-through entities must: (a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modifications. When some of the information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

On next slide

PASS-THROUGH ENTITY REQUIREMENTS

- Federal Award Identification
- Federal Award Identification Number (FAIN)
- Federal Award Date of award to the recipient by the Federal agency
- Subaward Period of Performance Start and End Dates
- Amount of Federal Funds obligated by this action by the pass-through entity to the subrecipient
- Total Amount of Federal Funds Obligation to the subrecipient by the pass-through entity including current obligation
- Total Amount of Federal award committed to the subrecipient by the pass-through entity
- Federal award project description
- Name of Federal awarding agency, pass-through entity, and contact information for awarding office of the pass-through entity
- Catalog of Federal Domestic Assistance (CFDA) Number and Name
- Identification of whether the award is Research and Development

Recommend covering the above information in a contract

PASS-THROUGH ENTITY REQUIREMENTS-SUBRECIPIENT MONITORING

The activities of the subrecipient must be monitored as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward, and that the subaward performance goals are achieved.

In other words, the goals of subrecipient monitoring are:

- Determine compliance
- Identify and prevent any deficiencies
- Design corrective action to improve

PASS-THROUGH ENTITY REQUIREMENTS- RISK ASSESSMENT

RISK ASSESSMENT- Evaluate each subrecipient's risk (<u>before award</u>) of non-compliance with Federal statutes, regulations, and the terms and conditions of the subaward. §2 CFR 200.205 provides an explanation of risk analysis. Areas to look at to determine risk include:

- Size and complexity of the program (total dollar amount of award, lots of procurements, excessive travel in budget)
- Past Performance (prior written approval for activities and/or purchases, timely submission of required reporting, previous non-compliance issues)
- Policy Management Systems (internal controls to guide the grant process and ensure regulations are followed)
- Audit (does the entity receive a single-audit and if yes, have there been any material findings related to the grant?)

Consider imposing specific subaward conditions upon a subrecipient, if appropriate, as described in §2 CFR 200.207 (additional reporting requirements, additional monitoring etc.) Special conditions may be applied even after the project has been awarded and may change throughout the term of the grant.

PASS-THROUGH ENTITY REQUIREMENTS- AUDIT REVIEW

AUDIT REVIEW: Per 2 CFR Subpart- F §200.501 - A non-Federal entity that expends $750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year.

- The $750,000 is cumulative among all Federal monies expended by that entity (not just the Specialty Crop Block Grant)

Determine if the subrecipient receives a single-audit. If they do receive a single-audit, the audit must be obtained and reviewed for any material findings related to the grant. If there are any material findings related to the grant, there must be documentation as to corrective action and follow up with the subrecipient. This must be done on an annual basis throughout the term of the grant.

PASS-THROUGH ENTITY REQUIREMENTS- SITE VISIT

SITE VISIT: At least one site visit to the place of performance must be conducted over the term of the grant (for each subrecipient). During the site visit the following actions must be performed and documented:

- Meet with the Principal Investigator (PI) on the project if possible, or other persons working directly on the project if the PI is unavailable.
- If any equipment (as defined by the USDA-AMS Terms & Conditions) was purchased using grant funds, verify that it is on site.
- Go over the current status of the project and any issues that may be occurring; develop a plan for the resolution of any problems if necessary.

PASS-THROUGH REQUIREMENTS-RECORD KEEPING

- Per the USDA-AMS Terms and Conditions the "recipient must retain all records relating to the grant for a period of **three years** after the final SF-425 is received by AMS or until final resolution of any audit finding or litigation. See §2 CFR 200.333 for exceptions and qualifications to the retention requirement and period for other types of grant-related records, including property records."

- Records to retain include contracts, amendments, budget revisions, quarterly ledgers and their proper backup documentation, any semi-annual or annual reports as required by the grant agreement, risk assessments & subrecipient monitoring performed, single-audit reviews, and any other pertinent general correspondence.

- Equipment verification and documentation must be kept in perpetuity.

WHAT'S NEXT?

- Your organization must submit a plan detailing how you will meet these requirements to ISDA within 30 days of the acknowledgement.

- If you have not already provided one to ISDA, a fully executed contract between your organization and your subrecipient is also due within 30 days for each of your current projects that has a subrecipient.

- ISDA will follow up regarding progress being made on the requirements as well as address any challenges you might be experiencing.

- **PLEASE reach out regarding ANY questions you may have.**

RESOURCES

- §2 CFR 200.331 Requirements for Pass-Through Entities
- Subrecipient VS. Contractor Checklist- from the Association of Government Accountants (AGA)
- Subrecipient Monitoring and Self-Assessment Guide- from AGA
- USDA-AMS Terms & Conditions

Questions?