



Success As A Subrecipient

Questions & Answers

Question: Do UEI's need to be updated when there is a major change in financials? What constitutes a major change?

Answer: Your UEI or SAM registration must be up-to-date and renewed at least once per year. You do not need to update your UEI with any financial changes, but instead should update your UEI if there is a change of address or any other entity information in order for it to be reflective of the registered organization. The name and address associated with your SAM should be current. Registering with SAM simply allows you to do business with the U.S. Federal Government and is an essential part of the federal awards lifecycle.

Question: Isn't monitoring (especially on-site) ensuring that the information provided in reports (both program and financial) are supported by adequate documentation?

Answer: Monitoring is the systematic and continuous assessment of a project's performance, compliance and effectiveness in achieving its objectives. The purpose is to ensure that a subrecipient is using funds appropriately and meeting project goals while also complying with federal regulations and the terms and conditions of their grant award. A component of the monitoring process is to ensure that the documentation being provided is accurate and meets requirements for reporting purposes.

When a subrecipient submits a reimbursement request to a prime recipient, all supporting documentation for the expenditure must be thoroughly reviewed to ensure compliance with federal and state regulations as well as the grant award conditions. If there are any questions regarding the adequacy of the backup or source documentation, please contact your grantor directly.

Question: Can you discuss the difference between keeping your funder aware of what is happening and having the grantor operate your program. I have worked with nonprofits who run every program decided by the funder. Part of that is because the grantor changes the rules at the drop of the hat, but the other part is because they don't want to make a decision and that way, they can blame the funder if something is wrong.

Answer: It is crucial to document all correspondence with your grantor in writing. Any amendments or decisions should be communicated in writing to either the grantor or grantee. The communication style between a grantor and grantee is determined by those involved in the project and can follow internal policies and procedures, ensuring the team understands expectations when discussing program goals and financial decisions with the grantor. Always seek clarification, as interpretations may differ between individuals, and thoroughly review all notices, communications, and grant awards.

Question: Is there any recommended percentage of grant funds you think should be allocated for grant admin/accounting/etc. that Mayita referenced? Any recommendations for adjusting when grant amounts change from year to year?

Answer: We recommend including short and long-term financial planning in the strategic planning of an organization. It is in the best interest of an organization, especially in regard to sustainability, to understand the cost of administering a project or federal grant. An organization should consider creating a cost allocation plan to identify how funds should be allocated and distributed to cost objectives based on the relative benefits received. This plan can be used instead of an indirect cost rate proposal if the organization does not have one. Unlike a cost allocation plan, an indirect cost rate determines the proportion of indirect costs each program should bear, expressed as a percentage or rate of indirect costs to direct costs.

Information on cost allocation plans or indirect cost proposals can be found in 2 CFR 200 beginning in Appendix III through Appendix VII to part 200. You can also visit [costallocationguide92019.pdf \(ed.gov\)](#) for helpful information on cost allocation.

We recommend a review of any cost allocation plan or indirect cost rates at least once a year to review and ensure that there is no need for revision to address changes in cost.

Success As a Subrecipient – Helpful Links:

- [Governor's 3 Year Plan](#)
- [SAM.gov](#)
- [Getting Started with Registration & the UEI](#)
- [Entity Registration – FAQ's by SAM.gov](#)
- [Prepare for Entity Registration – Entity Checklist](#)
- [How to renew or update your entity profile](#)
- [Electronic Vendor Registration page](#)
- [Grant Writing: Developing the Scope of Work & Budget – The Backbone of Your Grant Application](#)
- [Common Grant Application](#)
- [Grant Fit Check](#)
- [Risk Management & Mitigation webinar](#)
- [OFA training video library](#)