

Procedure: <b>Identification of Subgrantees and Notifying Subgrantee of Responsibilities</b>	Policy: <b>Subgrantee Identification and Monitoring</b>		Number: <b>GP0600.1</b>
	<input type="checkbox"/> Complete Revision <input checked="" type="checkbox"/> Partial Revision <input type="checkbox"/> New	Supersedes: 7/1/2015	Page: <b>Page 1 of 4</b>

### Overview of Procedure

The School District of Philadelphia is responsible for the determining whether an arrangement resulting from the District awarding funds to another organization creates a subgrantee or contractor relationship. Federally funded District contracts for services will clearly specify whether the relationship with the other party is considered a subgrantee or contractor. These guidelines and procedures are provided to assist District employees in identifying subgrantees and ensuring that subgrantees conduct their portions of federal projects in compliance with laws, regulations, and terms and conditions of grants/contracts, and that project costs incurred by subgrantees are allowable, reasonable and allocable.

### Procedure Details

The District will only designate eligible individuals or entities as subgrantees and will do so in accordance with District policy [GP0500 Participant and Subgrantee Eligibility](#).

### Procedure Steps

RESPONSIBLE POSITION	Step	ACTION TAKEN
		<b>IDENTIFICATION OF SUBGRANTEES</b>
GPM	1	<p>Utilize the “Characteristics of Subgrantees Versus Contractors” table below, the guidance contained in policy <a href="#">GP0600 Subgrantee Identification and Monitoring</a> and document the determination of the relationship using the <a href="#">Contractor vs. Subgrantee Comparison Form</a>. Complete the determination as soon as the potential for a subgrantee or contractor relationship is known, preferably at the time the grant opportunity is initially considered and applied for, but no later than at the time of initiating a contract for services.</p> <p>Consult with the Grant Compliance Office (GCO), the Office of Accounting Services and Audit Coordination, and the Office of General Counsel (OGC) for concurrence with the relationship determination.</p> <p>Attach a completed and signed <a href="#">Contractor vs. Subgrantee Comparison Form</a> to the online School Reform Commission resolution authorizing the contract. If the form indicates that a contractor determination has been made, no further steps related to subgrantee monitoring and notification are required. If a subgrantee determination is made, the GPM is responsible for notifying the subgrantee of their status and developing/implementing a subgrantee monitoring plan (see steps 4 and 5 below).</p>
GCO	2	Review/approve <a href="#">Contractor vs. Subgrantee Comparison Form</a> as part of the SRC resolution review process to ensure that GPM has appropriately characterized the relationship with the contractor or subgrantee.

RESPONSIBLE POSITION	Step	ACTION TAKEN
OGC	3	<p>Ensure that a completed <i>Contractor vs. Subgrantee Comparison Form</i>, signed by the GPM, is provided before developing any federally funded contract for services.</p> <p>Review the completed <i>Form</i> and if there is any question or disagreement about the determination made, consult with GPM and GCO to achieve consensus on the determination.</p> <p>Ensure that the form of contract used (Subgrant or Contractor contract for services) corresponds with the determination made and documented on the form.</p> <p>Maintain a copy of the completed, signed <i>Contractor vs. Subgrantee Comparison Form</i> for every federally funded contract for services.</p>
GPM	4	<p>Give completed Notification of Subgrantee Responsibility Form to subgrantee. This form lists critical federal award information required for their grant management and record keeping including, but not limited to:</p> <ul style="list-style-type: none"> <li>• CFDA title and number</li> <li>• Award name and number</li> <li>• Funding agency</li> <li>• Award amount</li> <li>• Award year</li> <li>• Statements pertaining to audit requirements and records and financial statement access</li> </ul>
GPM	5	<p>Using the <i>Subgrantee Monitoring Plan</i> template, create a written plan for monitoring the subgrantee for compliance with all applicable federal regulations, and share the written plan with the subgrantee.</p>

<b><u>Characteristics of Subgrantees Versus Contractors</u></b>	
<b>SUBGRANTEE</b>	<b>CONTRACTOR</b>
Determines who is an eligible participant	Provides goods or services within normal business operations
Uses funding to carry out the program on behalf of the District	Provides similar goods or services to many different purchasers
Has performance measured against objectives of the program	Operates in a competitive environment
Has responsibility for programmatic decision making	Provides goods or services that are ancillary to the operation of the program. Is not responsible for program results
Has responsibility for adherence to applicable program compliance requirements	Is not subject to compliance requirements of the program

**Policy**

- *GP0600: Subgrantee Identification and Monitoring*

**Forms**

- *Contractor vs. Subgrantee Comparison Form*
- *Notification of Subgrantee Responsibility Form*
- *Subgrantee Monitoring Plan*

**Definitions**

CFDA is the Catalogue of Federal Domestic Assistance.

Funding agency is the source entity providing the program funds. The funding agency can be a governmental entity, a private entity or an individual.

Subaward is an award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to an eligible subgrantee.

Subgrantee/Subrecipient is a non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program, but does not include an individual that is a beneficiary of such a program. A subgrantee may also be a recipient of other Federal awards directly from a Federal awarding agency. Entities are subject to 2 CFR Subpart F (Audit Requirements) and monitoring requirements if they spend more than \$750,000 in federal awards during its fiscal year.

Contractor is a dealer, distributor, merchant, or other seller providing goods or services that are necessary for conducting a Federal program. These goods or services may be for an organization's own use or for the use of beneficiaries of the Federal program. Contractors are not subject to 2 CFR Subpart F or monitoring requirements. Contractors are not responsible for programmatic results. For-profit subgrantee/Subrecipient is not subject to 2 CFR Subpart F. Nonetheless, for-profit subgrantees must comply with applicable program regulations.

**Contacts**

- *Grant Compliance Office*
- *Office of Accounting Services and Audit Coordination*
- *Office of General Counsel*

**Frequently Asked Questions**

**Related Information**

- Uniform Grant Guidance - [2 CFR](#)

**History**

**Amended:**

- Amended 9/18/2012 to include references and instructions for the Subgrantee Monitoring Plans.
- Amended 4/22/2013 to include (1) requirement that Contractor vs. Subgrantee Comparison form be completed as part of the SRC resolution process and (2) description of Office of General Counsel’s role in ensuring completion of Contractor vs. subgrantee determination and use of correct form of contract.
- Amended 4/20/2015 for consistency of the Uniform Grant Guidance (2 CFR) and other technical adjustments.
- Amended on 7/2/2018 for technical adjustments.

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