

certifications (see § 200.415) required for submitting financial and performance reports that the pass-through entity must provide to the Federal agency;

(4)(i) An approved indirect cost rate negotiated between the subrecipient and the Federal Government. If no approved rate exists, a pass-through entity must determine the appropriate rate in collaboration with the subrecipient. The indirect cost rate may be either:

(A) An indirect cost rate negotiated between the pass-through entity and the subrecipient. These rates may be based on a prior negotiated rate between a different pass-through entity and the subrecipient, in which case the pass-through entity is not required to collect information justifying the rate but may elect to do so; or

(B) The de minimis indirect cost rate.

(ii) The pass-through entity must not require the use of the de minimis indirect cost rate if the subrecipient has an approved indirect cost rate negotiated with the Federal Government. Subrecipients may elect to use the cost allocation method to account for indirect costs in accordance with § 200.405(d).

(5) A requirement that the subrecipient permit the pass-through entity and auditors to access the subrecipient's records and financial statements as necessary for the pass-through entity to fulfil its monitoring requirements; and

(6) Appropriate terms and conditions concerning the closeout of the subaward.

#### FTA Frequently Asked Questions from FTA Grantees Regarding Coronavirus Disease 2019 (COVID-19)

ER11: Does a State DOT need to amend all active operating grants in TrAMS and grant agreements with sub-recipients?

A: Yes, for grants in which the State DOT and/or its subrecipients will use the expanded flexibilities. Active grant award recipients, under programs Section 5307 and 5311, that would like the increased flexibility offered will need to complete an award amendment or submit a new application. Award recipients will need to realign funds provided to sub-recipients specifically for COVID-19 Response Activities to the "ER" Account Classification Code (ACC), which was set up by the recipient for the increased flexibility.

#### Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

Please see Procurement review area for the required clauses.

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### **TC-PrgM4. Did the recipient obtain signed lobbying certifications from subrecipients before entering into agreements exceeding \$100,000?**

#### **BASIC REQUIREMENT**

Recipients must obtain signed lobbying certifications from subrecipients before entering into agreements exceeding \$100,000.

#### **APPLICABILITY**

Recipients with subrecipients

## DETAILED EXPLANATION FOR REVIEWER

Any subrecipient in receipt of an award or contract exceeding \$100,000 is subject to the same disclosure requirements as the recipient (See Legal review area for explanation of lobbying certification requirements). The recipient must obtain an OMB Standard Form LLL or a quarterly report update from a subrecipient for an event that should be reported. Obtaining the certification with annual certifications and assurances from subrecipients with one signature for all the certifications and assurances meets the requirement.

## INDICATOR OF COMPLIANCE

- a. *Does the recipient obtain signed lobbying certifications from subrecipients before entering into agreements exceeding \$100,000?*

Subaward	Comments
-	-
-	-
-	-
-	-
-	-

## INSTRUCTIONS FOR REVIEWER

Review the recipient's standard subrecipient application(s) and agreement(s) templates to see if either contains the lobbying certification. For each subrecipient selected for a site visit, review executed subrecipient agreement to determine if the recipient obtained signed lobbying certifications from subrecipients before entering into agreements exceeding \$100,000. Document the review in the table above.

## POTENTIAL DEFICIENCY DETERMINATION

The recipient is deficient if it has not obtained signed lobbying certifications from subrecipients before entering into agreements exceeding \$100,000.

DEFICIENCY CODE TC-PgM4-1: Lobbying certifications not signed by subrecipients

SUGGESTED CORRECTIVE ACTION: The recipient must submit a process for obtaining signed lobbying certifications from subrecipients before entering into agreements exceeding \$100,000.

## GOVERNING DIRECTIVE

49 CFR 20.110 Certifications and Disclosures

- (a) Each person shall file a certification...if required, with each submission that initiates agency consideration of such person for: (1) Award of a Federal contract, grant, or cooperative agreement exceeding \$100,000...Shall file a certification...to the next tier above.

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**TC-PrgM5. Did the recipient confirm that its subrecipients were not suspended, debarred, ineligible or voluntarily excluded from participation in federally assisted transactions or procurements before entering into agreements exceeding \$25,000?**

**BASIC REQUIREMENT**

Recipients must ensure that potential subrecipients are not suspended or debarred when entering into agreements exceeding \$25,000.

**APPLICABILITY**

Recipients with subrecipients

**DETAILED EXPLANATION FOR REVIEWER**

Each recipient is required to ensure, to the best of its knowledge and belief, that none of its subrecipients are suspended, debarred, ineligible, or voluntarily excluded from participation in federally assisted transactions or procurements. For each subrecipient agreement expected to equal or exceed \$25,000, recipients must verify that the subrecipient is not excluded or disqualified by:

- Checking SAM exclusions (at SAM.gov); or
- Collecting a certification; or
- Adding a clause or condition to the covered transaction.

Obtaining the certification with annual certifications and assurances from subrecipients meets the requirement.

FTA notes that affirmative actions, such as checking SAM.gov or including a requirement for a signed certification, are preferred. A best practice is for the recipient to print the screen with the results of the search to include in the award or procurement file, or to have a checklist noting when the SAM.gov was reviewed.

If a recipient becomes aware after the subrecipient award that an excluded party is participating in a covered transaction, it must promptly inform the FTA regional office in writing of this information. The recipient may continue any covered transaction in existence at the time a party was debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded. The recipient is not required to continue the transaction and may consider termination. However, the recipient may not renew or extend the covered transaction (other than through a fully documented no-cost time extension) with the excluded party.

**INDICATORS OF COMPLIANCE**

- a. *Does the recipient determine and verify that subrecipients are not suspended or debarred?*

Subaward	Comments
-	-
-	-
-	-

Subaward	Comments
-	-
-	-

b. *How is the determination made?*

c. *Did the recipient extend or renew an award if it determined the subrecipient became suspended or debarred after the initial award? If yes, did FTA provide an exception?*

## INSTRUCTIONS FOR REVIEWER

Review the standard subrecipient application(s) and subrecipient agreement(s) for information on how the recipient determines ineligibility of suspended or debarred subrecipients. For each subrecipient selected for a site visit, review the subrecipient's application, and/or other files to verify how and whether the recipient is making this determination before entering into any subrecipient agreements. Document the review in the table above.

Verify with the FTA regional office if any suspension or debarment exceptions have been provided to the recipient.

Review SAM.gov to determine if any subrecipients selected for site visits are suspended or debarred.

During the site visit, ask the recipient if any of its subrecipients were suspended or debarred after initial award. If so, determine the date the recipient became aware and verify no awards were extended or renewed after that date.

## POTENTIAL DEFICIENCY DETERMINATIONS

The recipient is deficient if it does not verify that subrecipients are not suspended or debarred.

DEFICIENCY CODE TC-PgM5-1: No verification that excluded parties are not participating

SUGGESTED CORRECTIVE ACTION: The recipient must submit procedures for making excluded party determinations before entering into an agreement. For the next application cycle, submit documentation that the required process was implemented.

The recipient is deficient if it extended or renewed an award to a subrecipient after learning the subrecipient was suspended or debarred.

DEFICIENCY CODE TC-PgM5-2: Excluded parties participating in covered transactions

SUGGESTED CORRECTIVE ACTION: Work with the FTA regional office and FTA Regional Counsel to determine the appropriate corrective action.

## GOVERNING DIRECTIVE

2 CFR 180.300 What must I do before I enter into a covered transaction with another person at the next lower tier?

When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person.

**2 CFR 180.310 What must I do if a Federal agency excludes a person with whom I am already doing business in a covered transaction?**

- (a) You as a participant may continue covered transactions with an excluded person if the transactions were in existence when the agency excluded the person. However, you are not required to continue the transactions, and you may consider termination. You should make a decision about whether to terminate and the type of termination action, if any, only after a thorough review to ensure that the action is proper and appropriate.
- (b) You may not renew or extend covered transactions (other than no-cost time extensions) with any excluded person, unless the Federal agency responsible for the transaction grants an exception under §180.135.

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**TC-PrgM6. Has the recipient reported subaward information to FSRS for all subawards over \$30,000 timely?**

**BASIC REQUIREMENT**

The Federal Funding Accountability and Transparency Act (FFATA) requires recipients to report subaward information to FSRS by the end of the month following the month in which the subaward was made.

**APPLICABILITY**

Recipients with subrecipients

**DETAILED EXPLANATION FOR REVIEWER**

Prior to November 12, 2020, all direct recipients of FTA awards, award amendments, and cooperative agreements over \$25,000 are subject to the requirements of FFATA, that recipients report subaward information to FSRS at [www.FSRS.gov](http://www.FSRS.gov) by the end of the month after the month in which they make any subaward under the award. The reporting requirement does not include third party contract data at this time.

Recipients must report the information about each first tier subaward over \$25,000 (funds passed through to other public agencies, private nonprofit organizations or, where eligible as subrecipients, private providers of transportation) by the end of the month following the month they make any subaward or obligation (not the month after FTA awarded funds to the recipient). For example, if FTA awarded the fund to the recipient in November and the recipient signed subrecipient agreements in February, the recipient has until March 31 to report the subaward into FSRS. Once the recipient submits an initial report, it can revise it later to add additional subawards as they are made, or to change data previously submitted to reflect adjustments in subawards.

Effective November 12, 2020. OMB revised 2 CFR part 170 to require agencies to report Federal awards that equal or exceed the micro-purchase threshold as set by the FAR at 48 CFR part 2, subpart 2.1. Consistent with the FAR threshold for subcontract reporting, OMB raised the reporting threshold for subawards that equal or exceed \$30,000.

## INDICATORS OF COMPLIANCE

- a. *Has the recipient reported subaward information to FSRS for all subawards greater than or equal to \$25,000 (\$30,000 effective November 12, 2020), including subaward amendments making the total award greater than or equal to \$25,000 (\$30,000 effective November 12, 2020)?*
- b. *Were the reports submitted by the end of the month after the month in which the subaward was made?*

(1) FTA Award Number	(2) Subaward Entity	(3) Amount	(4) Award Date	(5) Date Reported to FSRS	(6) Comments
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

## INSTRUCTIONS FOR REVIEWER

In TrAMS, access the program of projects for an award in each FTA program for which the subrecipients selected for site visits receive funding and complete columns (1), (2), and (3) in the above table. During the site visit, ask the recipient to provide the information needed to complete columns (4) and (5).

## POTENTIAL DEFICIENCY DETERMINATION

The recipient is deficient if it does not report subaward information to FSRS or does not do so timely.

DEFICIENCY CODE TC-PgM6-1: FFATA reporting deficiencies

SUGGESTED CORRECTIVE ACTION: The recipient must report all missing information to FSRS and notify the FTA regional office when complete. The recipient must also procedures for reporting future subawards to FSRS timely.

## GOVERNING DIRECTIVE

FTA Circular 5010.1E, Chapter III, Section 3.f Federal Funding Accountability and Transparency Act (FFATA) Subaward and Executive Compensation Reporting.

Recipients awarded new federal assistance greater than or equal to \$25,000 as of October 1, 2010, are subject to FFATA subaward and executive compensation reporting requirements as outlined in the Office of Management and Budget's guidance issued August 27, 2010. These recipients must file an FFATA subaward report by the end of the month following the month in which the recipient awards any subaward greater than or equal to \$25,000. Additionally, all recipients must report the names and compensation of their five most highly compensated officers, and first-tier subrecipients must report the names and compensation of their five most highly

compensated officers, if in the preceding fiscal year they received 80 percent or more of their annual gross revenues in federal Awards; and \$25,000 or more in annual gross revenues from federal Awards; and the public does not have access to this information about the compensation of the senior executives of those recipients or subrecipients through periodic reports filed under Section 13(a) or 15(d) of the Securities Exchange Act of 1934, 15 U.S.C. § 78m(a), § 78o(d), or section 6104 of the Internal Revenue Code of 1986.

Instructions and the FFATA Subaward Reporting System (FSRS) can be found at: [www.fsr.gov](http://www.fsr.gov).

## 2 CFR 170 Appendix A to Part 170 - Award Term

### I. Reporting Subawards and Executive Compensation

#### *a. Reporting of first-tier subawards.*

*Applicability.* Unless you are exempt as provided in paragraph d. of this award term, you must report each action that equals or exceeds \$30,000 in Federal funds for a subaward to a non-Federal entity or Federal agency (see definitions in paragraph e. of this award term).

#### *2. Where and when to report.*

- i. The non-Federal entity or Federal agency must report each obligating action described in paragraph a.1. of this award term to <http://www.fsr.gov>.
- ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

*3. What to report.* You must report the information about each obligating action that the submission instructions posted at <http://www.fsr.gov> specify.

#### *b. Reporting total compensation of recipient executives for non-Federal entities.*

*1. Applicability and what to report.* You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if -

- i. The total Federal funding authorized to date under this Federal award equals or exceeds \$30,000 as defined in 2 CFR 170.320;
- ii. in the preceding fiscal year, you received -

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards), and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and,

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has

access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. *Where and when to report.* You must report executive total compensation described in paragraph b.1. of this award term:

- i. As part of your registration profile at <https://www.sam.gov>.
- ii. By the end of the month following the month in which this award is made, and annually thereafter.

c. *Reporting of Total Compensation of Subrecipient Executives.*

1. *Applicability and what to report.* Unless you are exempt as provided in paragraph d. of this award term, for each first-tier non-Federal entity subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if -

i. in the subrecipient's preceding fiscal year, the subrecipient received -

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards) and,

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. *Where and when to report.* You must report subrecipient executive total compensation described in paragraph c.1. of this award term:

- i. To the recipient.
- ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (*i.e.*, between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

d. *Exemptions.*

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

- i. Subawards, and
- ii. The total compensation of the five most highly compensated executives of any subrecipient.

e. *Definitions.* For purposes of this award term:



1. Federal Agency means a Federal agency as defined at 5 U.S.C. 551(1) and further clarified by 5 U.S.C. 552(f).

2. Non-Federal *entity* means all of the following, as defined in 2 CFR part 25:

i. A Governmental organization, which is a State, local government, or Indian tribe;

ii. A foreign public entity;

iii. A domestic or foreign nonprofit organization; and,

iv. A domestic or foreign for-profit organization

3. *Executive* means officers, managing partners, or any other employees in management positions.

4. *Subaward*:

i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.

ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR 200.331).

iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

5. *Subrecipient* means a non-Federal entity or Federal agency that:

i. Receives a subaward from you (the recipient) under this award; and

ii. Is accountable to you for the use of the Federal funds provided by the subaward.

6. *Total compensation* means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)).

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**TC-PrgM7. Does the recipient's oversight program ensure subrecipient compliance with Federal requirements and performance goals, and provide for evaluation of subrecipient risk of noncompliance with those requirements?**

#### **BASIC REQUIREMENT**

Recipients must 1) evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward, and 2) develop a subrecipient monitoring program 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 subaward performance goals are achieved.

#### **APPLICABILITY**

Recipients with subrecipients

## DETAILED EXPLANATION FOR REVIEWER

Many FTA requirements flow through the recipient to subrecipients. The recipient is responsible for ensuring that these entities are aware of and comply with the requirements. Before expending any FTA funds on projects, the recipient certifies to FTA that it and others operating on its behalf have met all statutory and program requirements. The recipient must have sufficient documentation to support the certifications to FTA.

The recipient must have an ongoing oversight system to ensure that subrecipients adhere to Federal requirements. While FTA does not prescribe specific monitoring activities for ensuring compliance, it does expect the recipient to look behind certifications and assurances, contracts, and agreements. FTA relies on each recipient to develop and implement effective systems for monitoring and ensuring compliance with requirements. A recipient's oversight of its subrecipient should reflect the size and complexity of its program. FTA expects recipients with a significant number of subrecipients to have formal oversight mechanisms.

The issue of monitoring compliance with Federal requirements is a continuing, critical theme throughout the Comprehensive Review. In each review area, the Comprehensive Review examines the specific mechanisms for monitoring compliance with the Federal requirements. The examination under Technical Capacity takes an overall look at the procedures in place for monitoring compliance with a range of Federal requirements. Appropriate mechanisms may include:

- Applications
- Monthly, quarterly or annual reports
- Meetings
- Site visits, assessments, and performance evaluations
- Vehicle/facility inspections

Once an issue is discovered, FTA expects the recipient to follow up with the subrecipient to ensure that corrective action is taken. Efforts, including the follow-up on deficiencies, should be documented. It is not necessary for the recipient to perform all of its monitoring functions in-house.

FTA provides Rural Transportation Assistance Program (RTAP) funds to assist states in providing technical assistance to transit operators in rural areas. In addition, state/program administrative expenses for the Sections 5310 and 5311 programs can be used for technical assistance. Technical assistance may be provided through orientations, informal conversations, formal correspondence, guides, onsite performance reviews, conferences, etc. Recipients sometimes provide detailed guidance for specific activities, such as vehicle procurement or maintenance. Many recipients sponsor annual conferences, frequently in conjunction with the state transit association, at which training in Federal requirements is provided.

## INDICATORS OF COMPLIANCE

- a. *What is the recipient's process for monitoring subrecipients?*
- b. *How does the recipient evaluate subaward and/or subrecipient risk?*
- c. *How are the outcomes of risk assessments incorporated into the oversight process?*
- d. *How does the recipient evaluate subaward performance?*
- e. *What actions has the recipient taken to address identified compliance issues or risk with subrecipients?*

## **INSTRUCTIONS FOR REVIEWER**

Review the state/program management plan(s) for a description of the subrecipient monitoring program, including how the recipient evaluates risk, addresses identified compliance issues, ensures performance goals are met, and addresses issues of subrecipient non-compliance.

Review subrecipient application(s) and monitoring materials, such as performance and progress reports and site visit checklists, to determine how the recipient addresses risks and the review areas overseen. Review the schedule of oversight activities conducted since the last review to determine if the recipient is implementing its procedures. For example, if the oversight program calls for triennial site visits, review the schedule to ensure that the site visits were conducted. If not, discuss the reasons why with the recipient.

Review the recipient website or if not available, obtain documentation of technical assistance, training, or actions offered and conducted for subrecipients in program requirements to address areas of noncompliance.

Onsite, discuss the oversight program with the recipient to ensure that oversight of the FTA program is clearly understood. Discuss any initiatives taken to mitigate risk and reduce the number of potential deficiencies, such as training and technical assistance initiatives. Review the oversight file(s) for the subrecipient(s) to be visited to ensure that the recipient has implemented its oversight program and followed up on identified compliance or risk issues.

Note: The recipient could be found deficient in its monitoring of a specific area but not deficient under Technical Capacity—Program Management. Similarly, it could be found deficient under Technical Capacity—Program Management, but not deficient in a specific area where it is effectively monitoring compliance with Federal requirements or if it does not monitor at all. For example, the recipient's overall oversight program might be sound but oversight in a review area may be lacking or insufficient. In that instance, the recipient would be found deficient in the review area but not Technical Capacity—Program Management. Conversely, if the recipient's procedures to oversee in each review area are adequate but the procedures are not implemented, the recipient can be found deficient in Technical Capacity—Program Management and not in each review area. Consult with the FTA regional office on how deficiencies should be addressed.

## **POTENTIAL DEFICIENCY DETERMINATION**

The recipient is deficient if it has not evaluated subrecipient's risk of noncompliance, developed a comprehensive oversight program, implemented its oversight program, or does not take actions to address identified compliance issues.

DEFICIENCY CODE TC-PgM7-1: Inadequate oversight of subrecipients

SUGGESTED CORRECTIVE ACTION 1: The recipient must submit procedures for evaluating subrecipient risk and a comprehensive program for monitoring subrecipients for compliance with Federal requirements and performance goals, along with documentation of implementation.

SUGGESTED CORRECTIVE ACTION 2: The recipient must submit procedures for taking action to correct issues of subrecipient non-compliance.

## **GOVERNING DIRECTIVE**

### **2 CFR 200.332 Requirement for pass-through entities**

A pass-through entity must:

(c) Evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine the appropriate subrecipient monitoring described in paragraph (f) of this section. When evaluating a subrecipient's risk, a pass-through entity should consider the following:

- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The results of previous audits. This includes considering whether or not the subrecipient receives a Single Audit in accordance with subpart F and the extent to which the same or similar subawards have been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

(d) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in §200.208.

(e) Monitor the activities of the subrecipient as necessary to ensure that the subaward complies with Federal statutes, regulations, and the terms and conditions of the subaward. The pass-through entity is responsible for monitoring the overall performance of a subrecipient to ensure that the goals and objectives of the subaward are achieved. In monitoring a subrecipient, a pass-through entity must:

- (1) Review financial and performance reports.
- (2) Ensure that the subrecipient takes corrective action on all significant developments that negatively affect the subaward. Significant developments include Single Audit findings related to the subaward, other audit findings, site visits, and written notifications from a subrecipient of adverse conditions which will impact their ability to meet the milestones or the objectives of a subaward. When significant developments negatively impact the subaward, a subrecipient must provide the pass-through entity with information on their plan for corrective action and any assistance needed to resolve the situation.
- (3) Issue a management decision for audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521.
- (4) Resolve audit findings specifically related to the subaward. However, the pass-through entity is not responsible for resolving cross-cutting audit findings that apply to the subaward and other Federal awards or subawards. If a subrecipient has a current Single Audit report and has not been excluded from receiving Federal funding (meaning, has not been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant agency for audit or oversight agency for audit to perform audit follow-up and make management decisions related to cross-cutting audit findings in accordance with section § 200.513(a)(4)(viii). Such reliance does not eliminate the responsibility of the pass-through entity to issue subawards that conform to agency and award-specific requirements, to manage risk through ongoing subaward monitoring, and to monitor the status of the findings that are specifically related to the subaward.

(f) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

- (1) Providing subrecipients with training and technical assistance on program-related matters;
- (2) Performing site visits to review the subrecipient's program operations; and
- (3) Arranging for agreed-upon-procedures engagements as described in §200.425.

(f) Verify that every subrecipient is audited as required by Subpart F of this part.

(g) Consider whether the results of the subrecipient's audits, site visits, or other monitoring necessitate adjustments to the pass-through entity's records.

(h) Consider taking enforcement action against noncompliant subrecipients as described in §200.339 of this part and in program regulations.

*FTA Circular 5010.1E, Chapter II, Section 3. Roles and Responsibilities of the Management of Awards*

Recipients are responsible for the day-to-day management of their Awards that provide assistance for eligible activities or projects.

- a. **Recipient Role.** In addition to FTA's responsibility to monitor FTA Awards and the federally assisted projects thereunder, recipients must monitor federally assisted activities to ensure compliance with applicable Federal requirements. This includes the administration and management of the Award in compliance with Federal regulations, the Grant or Cooperative Agreement, and applicable FTA circulars. A recipient is also responsible for Federal assistance that "passes through" to a subrecipient...

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## **ISSUES/AREAS OF CONCERN FOR FTA AWARENESS**

Did background research and/or onsite observations support any of the concerns below:

- Is this the first Comprehensive Review for the recipient?
- Have any oversight reviews, audits, or investigations of the recipient conducted since the last Comprehensive Review (including the most recent Comprehensive Review) identified significant deficiencies, material weaknesses, and/or repeat deficiencies in the area of technical capacity, program management, or subrecipient oversight?
- Did the recipient experience difficulty resolving or closing any oversight review, investigation, or audit deficiencies or findings? Are any deficiencies or findings currently open?
- Are any issues related to technical capacity, program management, or subrecipient oversight indicated in the FTA's Oversight Assessment Tool (OAT)?
- Any other potential issues or concerns about the recipient's technical capacity to manage FTA programs not covered previously in this section?

## REFERENCES

1. 49 U.S.C. Chapter 53, Federal Transit Laws
2. P.L. 109-282 Federal Funding Accountability and Transparency Act of 2006
3. Office of Management and Budget (OMB) Open Government Directive - Federal Spending Transparency
4. 2 CFR 180.300 What Must I Do Before I Enter Into A Covered Transaction With Another Person At The Next Lower Tier?
5. 2 CFR Parts 200 and 1201, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"
6. 23 CFR 450.210 Interested parties, participation, and consultation
7. 49 CFR Part 20, "New Restrictions on Lobbying"
8. FTA Circular 5010.1E, "Award Management Requirements"
9. FTA Circular 5100.1, "Bus and Bus Facilities Formula Program: Guidance and Application Instructions"
10. FTA Circular 9040.1G, "Formula Grants for Rural Areas: Program Guidance and Application Instructions"
11. FTA Circular 9070.1G "Enhanced Mobility of Seniors and Individuals with Disabilities Program Guidance and Application Instructions"

## USEFUL WEBLINKS

1. *Federal Funding Accountability and Transparency Act Subaward Reporting System*
2. *[www.USASpending.gov/news](http://www.USASpending.gov/news)*
3. *Office of Management and Budget Open Government Directive - Federal Spending Transparency*
4. *State Transit Program Manager's Guide on Administration and Oversight of FTA Grant Programs*
5. *National Cooperative Highway Research Program (NCHRP) Research Results Digest 341: Compliance Monitoring Tools*
6. *A Guide for States and Local Government Agencies: Cost Principles and Procedures for Establishing Cost Allocation Plans and Indirect Cost Rates for Grants and Contracts with the Federal Government*
7. *Coronavirus Aid, Relief, and Economic Security Act*
8. *FTA's Frequently Asked Questions From FTA Grantees Regarding Coronavirus Disease 2019*
9. *Notice of Concurrence*