

EXAMPLE FOR AGENCIES
BUREAU OR PROGRAM COMMUNICATION REGARDING SUBAWARD REPORTING
For Reference Purposes Only

Ensuring We Approve All Subawards under Assistance Instruments and Hold Our Recipients Accountable for Reporting

Accurate and prompt subawards reporting through the [Federal Funding Accountability and Transparency Act Subaward Reporting System](#) (FSRS) and made publicly available through [USAspending.gov](#) is vital to monitoring the implementation of funded activities and our ability to focus resources on mission essential initiatives.

Grants management officers should familiarize themselves with the requirements for reporting subawards set forth in the [Federal Funding Accountability and Transparency Act of 2006 \(FFATA\)](#) and 2 C.F.R. part 170, Appendix A.

Agency Approval of Subawards:

Prime recipients must obtain prior written approval from the awarding agency for all proposed subawards, regardless of size (see 2 C.F.R. § 200.308(c)(1)(vi)).

When requesting approval, prime recipients must confirm that they have conducted:

1. A risk-assessment of each of the proposed subrecipient(s) by name; and,
2. Verify that each subrecipient:
 - a. Does not have active exclusions in the [System for Award Management](#) (SAM);
 - b. Does not appear on the [Specially Designated Nationals \(SDN\) and Blocked Persons List](#) maintained by the Office of Foreign Assets Control within the U.S. Department of the Treasury; and,
 - c. Does not appear on the [Consolidated List](#) of organizations and persons subject to sanctions by the United Nations Security Council.

This prime recipient approval process maximizes the value of grant funding by applying a risk-based, data-driven framework that balances compliance requirements with demonstrating successful results for the American taxpayer.

Subaward Reporting:

As required by FFATA, 2 C.F.R § 200.308(c)(1)(vi), and [insert references to agency guidance as appropriate], when the awarding agency approves a subaward equal to or greater than \$30,000 the agency approving official must remind the prime recipient of the requirement to report the subaward through FSRS. Specifically, prime recipients must report each action that obligates \$30,000 or more in funds, not including Recovery Funds (as defined in Section 1512(a)(2) of the American Recovery and Investment Act of 2009, Public Law 111-5). The awarding agency should also remind prime recipients that they must submit this report in FSRS and they have a continuing responsibility to update data on new obligations into subawards.

If a prime recipient fails to fully comply with the mandatory requirements and award terms, the awarding agency may impose additional award conditions or take other actions as appropriate under the circumstances. These actions could include (see 2 C.F.R. § 200.338 and [insert references to agency guidance as appropriate]):

- Withholding cash payments temporarily pending correction of the deficiency;
 - Disallowing all or part of the cost of the activity or action that is out of compliance;
 - Suspending (wholly or partly) or terminating the award; and,
 - Withholding further awards for the project or program, and initiating proceedings for suspension and debarment.
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