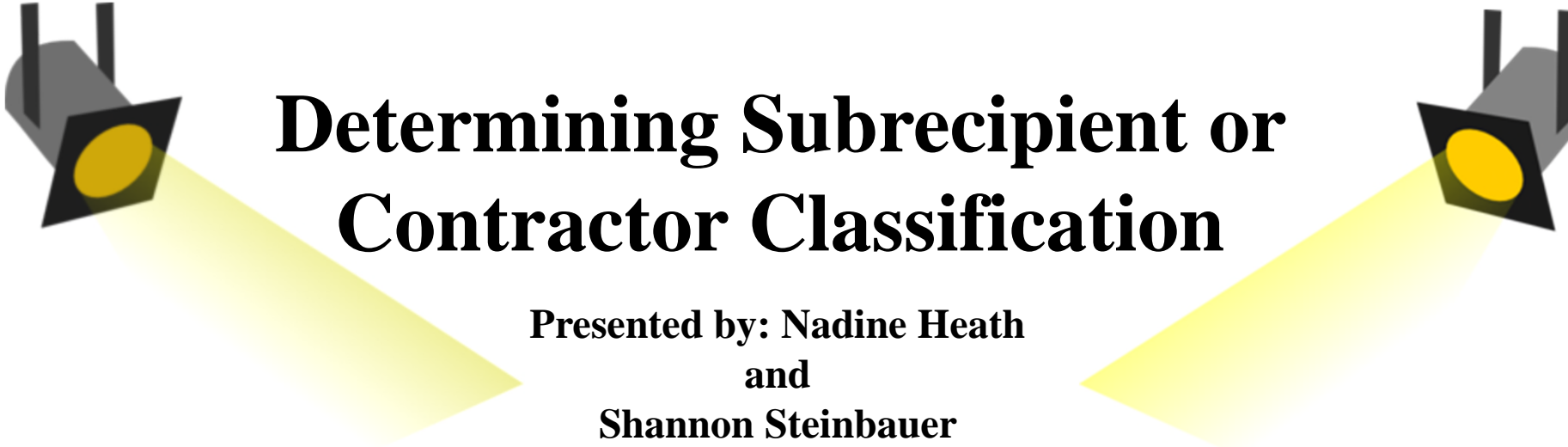
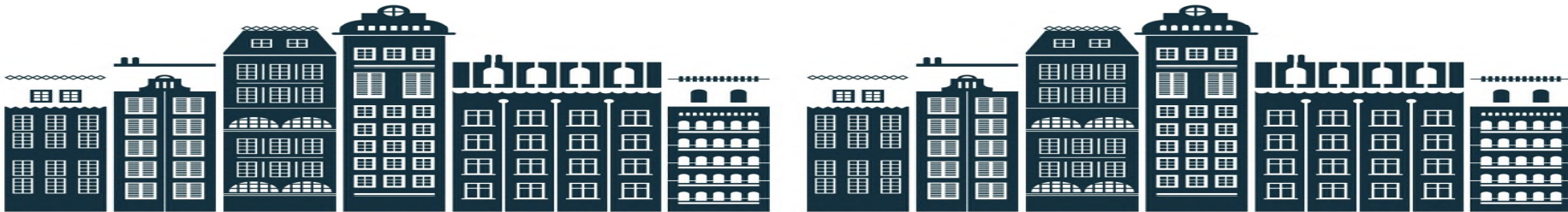


FY17 NEW GRANTEE ORIENTATION



Determining Subrecipient or Contractor Classification

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and
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WASHINGTON, DC SEPTEMBER 20-22, 2017

LOCAL GOVERNMENT

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**WHAT IS CONSIDERED
A LOCAL GOVERNMENT?**

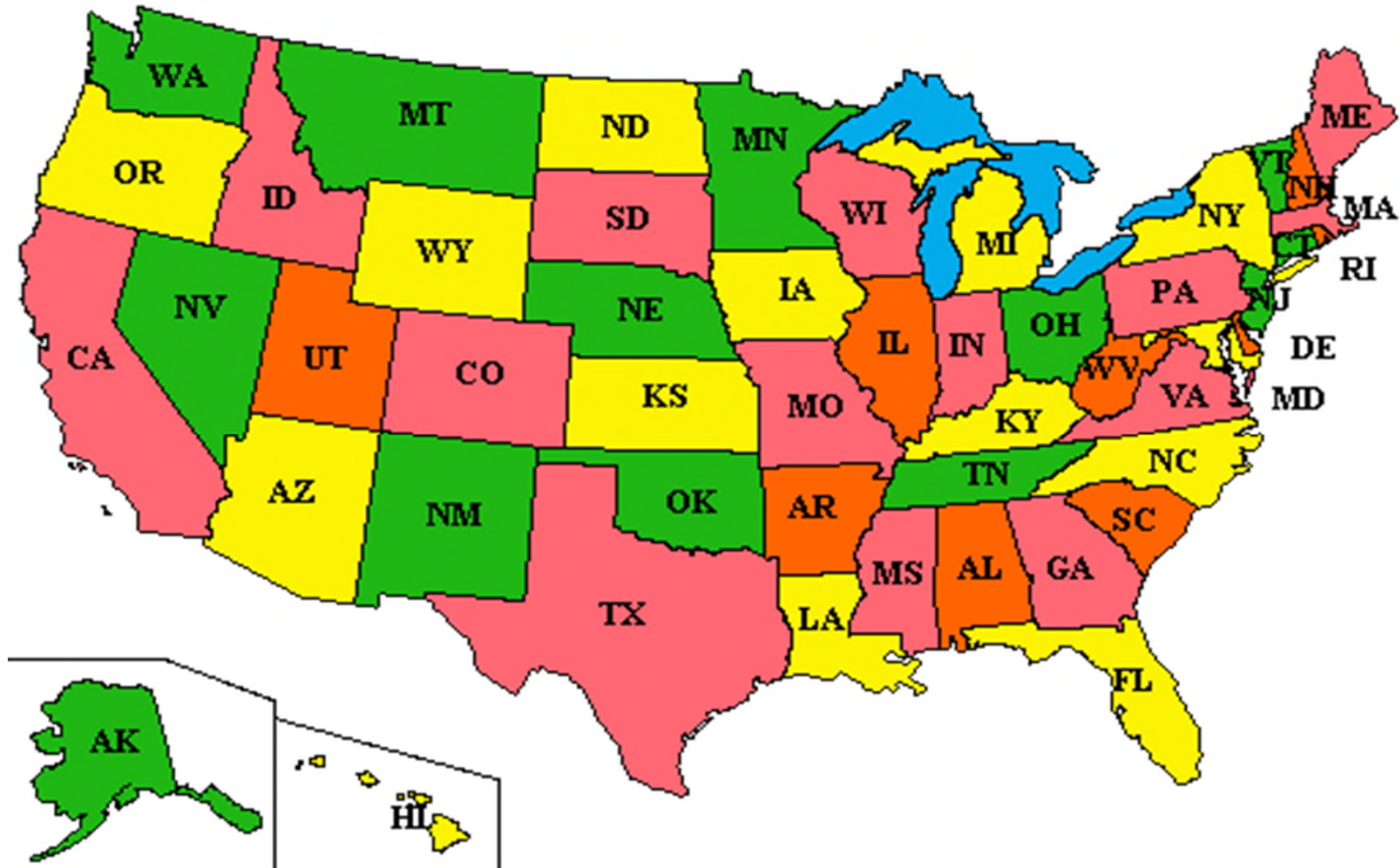
**UNDER THE 2 CFR 200
UNIFORM GUIDANCE**



A LOCAL GOVERNMENT MEANS ANY UNIT OF GOVERNMENT WITHIN A STATE

2 CFR §200.64

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BASIC TERMINOLOGY

2 CFR 200 UNIFORM GUIDANCE

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Non-Federal Entity

Pass-through Entity

Subrecipient

Subaward

Contractor



UNDERSTANDING TERMS



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Non-Federal Entity: A state, local government, Indian Tribe, Institution of Higher Education (IHE), or Nonprofit Organization that carries out a Federal award as a recipient or subrecipient. **2 CFR §200.69**

Pass-through entity: A Non-Federal Entity that provides a subaward to a subrecipient to carry out part of a Federal program. **2 CFR §200.74**

Subrecipient: A Non-Federal Entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. **2 CFR §200.93**



UNDERSTANDING TERMS

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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. **2 CFR §200.92**

Commercial
Contractors



Contractor: A legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. **2 CFR §200.22**

Characteristics which support the classification of the Non-Federal entity as a Subrecipient

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- Determines who is eligible to receive Federal assistance.
- Commercial and Government Entity (CAGE) Code is listed as U.S. Local Government (City, County, State, or Federal Recognized Tribal Government) in the System for Award Management (SAM)
www.sam.gov .

Characteristics which support the classification of the Non-Federal entity as a Subrecipient

(Continued)

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- Has its performance measured in relation to whether objectives of a Federal program are met.
- Provides public service for local U.S. government (See SAM) to people living within its jurisdiction, either directly (through the public sector) or by financing provision of services, for example, a hospital or non-profit organization with no fee/profit. **If a non-profit organization has proposed a fee/profit or overhead cost, it shall be categorized as a contractor.**

Characteristics which support the classification of the Non-Federal entity as a Subrecipient

(Continued)

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- Has responsibility for programmatic decision making.
- Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and in accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

Characteristics of a procurement relationship between the Non-Federal Entity and Contractor

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- Provides the goods and services within normal business operations
- A non-profit organization or a profit organization that proposes a fee/profit or overhead cost.
- Provides similar goods or services to many different purchasers.



Characteristics of a procurement relationship between the Non-Federal Entity and Contractor

(Continued)

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- Normally operates in a competitive environment.
- Provides goods or services that are supplementary (ancillary) to the operation of the Federal program.
- Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.



GUIDANCE PLEASE

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2 CFR §200.330 Subrecipient and Contractor Determinations

OLHCHH Policy Guidance Number: 2017-02 Determining Subrecipient or Contractor Classification



IMPORTANT FACTS

- All partners or partnerships will be classified as being with either a subrecipient or a contractor.
- The Grantee is responsible for completing the OLHCHH, “Checklist to Determine Subrecipient or Contractor Classification” for each subrecipient or contractor **receiving funds greater than \$3,500.00** listed on line item 7 of the Budget Worksheet (HUD Form 424-CBW).

IMPORTANT FACTS

- All subrecipients or contractors must be registered in the System for Award Management (SAM) website: www.sam.gov. There is **no cost** to use SAM.

Grantees can:

- ✓ Register to do business with the U.S. government
- ✓ Update or renew your entity registration
- ✓ Check the status of an entity registration
- ✓ Search for entity registration and exclusion records

IMPORTANT FACTS

- Grant Specialist will approve or disapprove the classification determination **in writing** for each entity submitted by the Prime Recipient **before, during, and after** grant or cooperative agreement award.
- If the Grantee disagrees with the final classification determination by the Grant Specialist an Appeal process is available. See policy **OLHCHH Policy Guidance Number: 2017-02**.

IMPORTANT FACTS

- Failure to obtain an approved classification determination (subrecipient or contractor) for each entity from the OLHCHH **may result in loss of funding for the unapproved entity or termination of the grant award or cooperative agreement** in accordance with the Terms and Conditions, Article 46, Suspension and Termination (For Cause).

IMPORTANT FACTS

- A homeowner or other individual housing owner (e.g., a person who is the landlord) that is a beneficiary of the grant cannot be a subrecipient of the Grantee, in accordance with 2 CFR 200.93, Subrecipient. Read last paragraph on page 2 and first paragraph on page 3 of the **Policy Guidance Number: 2017-02 Determining Subrecipient or Contractor Classification.**
- All non-Federal entities other than states, including subrecipients of a state, must comply with 2 CFR 200.318, **General procurement standards**, through 200.326, **Contract Provisions.**

THANK YOU

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The image shows the words "The End" in a classic, elegant cursive script. The text is rendered in a vibrant red color with a white outline, giving it a three-dimensional, embossed appearance. It is centered on a solid, deep blue rectangular background. This central blue area is framed by black borders at the top and bottom, creating a cinematic or theatrical feel, reminiscent of a movie's closing credits.

The End