



# Hidalgo County



## State and Local Fiscal Recovery Funds

*Subrecipient Monitoring Policy*



## Table of Contents

Policy Overview	2
Subrecipient Monitoring Policy	2
Statutory Eligible Uses	3
Award Limits	3
Subrecipient Monitoring Procedures	4
Pre Award	4
Post Award	5
Annual Award Stage Risk Assessment	6
Continuous Analysis	7
Annual Site Visit	9
Procedures for On-Site Monitoring of Administrative, Financial and Programmatic Elements of the Subaward	9
Procedures for Documentation and Corrective Action	10
Subaward Closure	11
Exhibit A	13
Exhibit B	14
Exhibit C	17
Exhibit D	19
Exhibit E	20
Exhibit F	21
Exhibit G	22
Exhibit H	25
Exhibit I	28
Exhibit J	29



## **Policy Overview**

The Hidalgo County American Rescue Plan Act (ARPA) Program and the Auditor’s Office, respectively, will be responsible for monitoring the programmatic and financial activities of subrecipients to ensure proper stewardship of federal funds. The following policy, roles and procedures address responsibilities and qualifications required to be potential subrecipients of State and Local Fiscal Recovery Funds (SLFRF). The outlined policy and procedures will assist Hidalgo County in ensuring that all subrecipients comply with and exceed performance goals. Hidalgo County will also monitor all subrecipients to certify compliance with the applicable grant award special conditions and federal and state laws and regulations.

## **Subrecipient Monitoring Policy**

Title 2 U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR 200) Uniform Guidance, specifically 200.332 (Exhibit J), requires pass-through entities to

- Evaluate each subrecipient’s risk of noncompliance in order to determine the appropriate monitoring level;
- Monitor the activities of subrecipient organizations;
- Ensure that the subaward is in compliance with applicable Federal statutes, regulations and terms of the subaward and;
- Verify that subrecipients are audited as required by Subpart F of the Uniform Guidance.

Hidalgo County, as the direct recipient of the federal award, is required to provide evidence of due diligence in reviewing the ability of a subrecipient to properly meet the objectives of the subaward and account for the use of funds.

SLFRF recipients that are pass-through entities, as defined under 2 CFR 200.1, are required to manage and monitor their subrecipients to ensure compliance with requirements of the SLFRF award pursuant to 2 CFR 200.332.



## **Statutory Eligible Uses**

Recipients of SLFRF have substantial discretion to use the award funds in the ways that best suit the needs of constituents – as long as such use fits into one of the following four statutory categories:

1. To respond to the COVID-19 public health emergency or its negative economic impacts;
2. To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the recipient that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;
3. For the provision of government services, to the extent of the reduction in revenue of such recipient due to the COVID-19 public health emergency, relative to revenues collected in the most recent full fiscal year of the recipient prior to the emergency; or
4. To make necessary investments in water, sewer, or broadband infrastructure.

The U.S. Department of the Treasury released an interim final rule in May 2021 and the final rule on January 6, 2022 to implement these eligible use categories and other restrictions on the use of funds under the SLFRF program.

It is the recipient's responsibility to ensure all SLFRF program award funds are used in compliance with these requirements. In addition, recipients should be mindful of any additional compliance obligations that may apply – for example, additional restrictions imposed upon other sources of funds used in conjunction with SLFRF award funds, or statutes and regulations that may independently apply to water, broadband and sewer infrastructure projects. Recipients should ensure they maintain proper documentation supporting determinations of costs and applicable compliance requirements, and how they have been satisfied as part of their award management, internal controls and subrecipient oversight and management.

## **Award Limits**

1. Subrecipients must obligate 100% of the funds before December 31, 2024.
2. Subrecipients will have until December 31, 2026 to perform and complete proposed projects and programs.



## **Subrecipient Monitoring Procedures**

### *Pre Award*

1. Subrecipient must first apply and obtain or provide a Unique Entity Identifier (UEI).
2. Subrecipients must submit a Letter of Intent to the Hidalgo County American Rescue Plan Act Program.
3. Program staff will perform a search on SAM.gov, an official U.S. government website that acts as a database for entities that wish to conduct business with federal funds, to determine if the subrecipient/organization has been debarred or excluded from doing business with the federal government. A subrecipient/organization must have an active SAM registration. Upon confirmation, staff will screenshot the SAM.gov search for the grant/subrecipient file. Additionally, subrecipients must meet all other special condition requirements set by the American Rescue Plan Act State and Local Fiscal Recovery Funds program.
4. Subrecipient must submit a proposed budget plan.
5. Subrecipient must submit an outline of their organizational structure. The outline must include the names of the positions and the names of the employees occupying those positions.
6. Subrecipients must submit all their policies and procedures.
7. Subrecipients must complete a risk assessment and accompanying documentation. Hidalgo County will assign a risk rating (Exhibit A).



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### *Post Award*

1. Subrecipients must submit the approved budget with a listing of all expenditures to the Hidalgo County American Rescue Plan Act Program for approval. All budgets and expenditures must be approved by the Hidalgo County Auditor's Office.
2. The County must evaluate the subrecipient's goals for the subaward, performance statement and the subrecipient's grant budget.
3. Hidalgo County and the subrecipient agree to execute a Memorandum of Understanding (MOU) between Hidalgo County and the subrecipient.
4. Hidalgo County personnel will monitor and approve financial and performance statement reports and ability of the subrecipient to meet the performance statement of the subaward based on assessed risk level.
5. Subrecipients must participate in annual monitoring site visits.



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### *Award Stage Risk Assessment*

1. Hidalgo County will review and assess the subrecipient's single audit report (CAFR).
2. The County will review past and current performance as reported through the quarterly review process: both financial and performance statements.
3. By the 15th of each month, subrecipients shall electronically submit a funding report of all expenditures. Reports are due even if the subrecipient has no new activity to report during the month. If the 15th falls on a holiday or weekend, subrecipients must submit on the upcoming business day. Subrecipients may submit before the 15th in anticipation of a holiday or weekend.
4. The County will ensure the applicable special conditions of the grant award are acknowledged by the subrecipient in a document that formally recognizes the agreement to comply with any and all federal, state and program grant award special conditions.
5. The County will provide the subrecipient requirements of subaward documentation to be submitted by subrecipient to the Prime Grantee during the grant periods. (See Exhibit B)



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#### *Continuous Analysis*

The Hidalgo County American Rescue Plan Act Program will continuously analyze the administrative and programmatic performance of subrecipients through the following methods:

- Internal Controls (2 CFR 200.303): Hidalgo County will ensure the subrecipient provides reasonable assurance of subrecipient compliance with federal statutes, regulations and the terms and conditions of the federal award:
  - Subrecipients must return signed acknowledgement of the terms and conditions of the subaward.
  - Subrecipients must agree to evaluation and monitoring of their compliance with statutes, regulations and terms and conditions of the subaward by allowing access to financial statements and program operations.
  - Subrecipients must take prompt action when instances of noncompliance are identified.
  - Subrecipients must take reasonable measures to safeguard sensitive information consistent with applicable federal, state and local laws.
- Regular communication with subrecipient stakeholders.
- Approving expenditures before they have been made.
- Invoice review:
  - Ensure invoices are timely, accurate and contain the appropriate backup documentation to support the expense.
  - Remind all entities that the County is not subject to sales tax.
  - Confirm sales tax is not included in the invoice amount.
  - For any questionable expense(s), request additional backup from the subrecipient specific to the charge(s) prior to payment.
- Request financial reports from the subrecipient that contain:
  - Subaward amount
  - Invoice(s) submitted for reimbursement by subaward budget category and remaining subaward amount after expenses



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- Ensure cumulative expenses do not exceed the total approved subaward amount and verify the rate of spending is consistent with the timeline of the project.
- Review any other financial or non-financial reports required by the subaward, such as lists of supplies and equipment purchased with grant funds.
- Coordination of subrecipient budget revision requests.
- Documentation supporting subrecipient monitoring efforts:
  - Email correspondence
  - Invoices
  - Deliverables, such as relevant data for quarterly progress report(s) and
  - Other supporting documentation.
- Request quarterly reports from the subrecipient for review and approval by Hidalgo County.
- Follow up with the subrecipient regarding findings during annual subrecipient site visits and request subrecipient's resolution of site visit findings.
- For high risk subawards, the following additional steps are and shall be mandatorily required:
  - Request additional supporting detail for all financial invoices and expenses in accordance with the subaward terms and conditions.
  - Document and retain communications regarding project performance.
  - Report any significant issues to the Hidalgo County American Rescue Plan Act Program.
  - Further action could include:
    - Withholding payments
    - Additional site visits
    - Termination of the subaward



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#### *Site Visit*

Hidalgo County will conduct an on-site meeting at the subrecipient's location to review the subrecipient's project performance and compliance. Topics covered will depend on project scope and subrecipient risk assessment and may include project procurement, data systems, activity and performance tracking, project reporting, inventory and software systems. Hidalgo County will produce a report that summarizes the results and any corrective actions deemed necessary. The report will be shared in a timely manner with the subrecipient.

#### Procedures for On-Site Monitoring of Administrative, Financial and Programmatic Elements of the Subward

1. The Hidalgo County American Rescue Plan Act Program will contact the subrecipient via email to coordinate a site visit on the subrecipient's premises.
2. After the site visit date and time are established, the Hidalgo County American Rescue Plan Act Program will send details of what the site visit will focus on, such as compliance with federal statutes, regulations and the terms and conditions of the federal award. (see Exhibit D for example of pre-site visit letter)
3. Hidalgo County American Rescue Plan Act Program staff will begin the site visit with a meeting that includes the subrecipient personnel participating in the site visit. The meeting will describe the reason for the site visit, review items to be discussed and supplies and equipment purchased with grant funds.
4. During the site visit, staff will follow the Monitoring Checklist that satisfies the administrative and financial elements of the subaward. (see Exhibit C)
5. Hidalgo County American Rescue Plan Act Program staff will end the site visit with a meeting that discusses the program and items purchased with grant funds. Any non-compliance issues will be brought to the attention of the subrecipient.
6. After the site visit, the Hidalgo County American Rescue Plan Act Program will email an explanation of the items reviewed and whether the subrecipient procedures satisfy the compliance standards for applicable federal and/or state statutes, regulations, and conditions of the federal award, and explanation of all findings related to subrecipient compliance. (see Exhibit E for example of post-site visit letter)



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American Rescue Plan Act 2022

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### Procedures for Documentation and Corrective Action

1. After the site visit, Hidalgo County American Rescue Plan Act Program staff will note findings and request the subrecipient to provide the program with written documentation evidencing proof of the resolution of any issue(s) on the Subrecipient Site Visit Evaluation Report (see Exhibit G) and on the Post-Site Visit letter (see Exhibit E). The report will be sent to the subrecipient within one week of the site visit and the findings will be discussed during a meeting.
2. Subrecipients will have 30 days to respond in writing to the Hidalgo County American Rescue Plan Act Program with an acceptable plan for the successful resolution of issues/findings as a result of the site visit.
3. Hidalgo County American Rescue Plan Act Program will review the subrecipient resolution to the site visit findings and approve if adequate. All findings and resolutions will be documented.



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### American Rescue Plan Act 2022

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#### *Subaward Closure*

- The subrecipient will be notified via email by the prime grantee at six months and at three months prior to the grant end date.
- On or before 120 days prior to the Grant End Date, the subrecipient will be notified in writing and via email that they have 90 days after the Grant End Date to liquidate their encumbrance(s). At 120 days prior to the Grant End Date, the subrecipient will be requested to provide confirmation via email that the subrecipient will spend the entire subaward and liquidate all encumbrance(s) within the 90-day period after the Grant End Date.
- All final invoices must be submitted to Hidalgo County American Rescue Plan Act Program along with a final financial report that shows subaward amount, all invoices reimbursed by the grant, and the amount remaining in subaward.
- Final Reports –Subrecipients shall electronically submit, no later than 45 calendar days after the end of the Contract Term/Grant End Date, a final report of all expenditures of funds. Failure to provide a full accounting of funds expended under the Contract may result in the termination of the Contract and ineligibility to receive additional funds.
  - a. If a subrecipient fails to submit a final expenditure/performance report within 45 calendar days of the end of the Contract Term. The Hidalgo County American Rescue Plan Act Program will use the last report submitted by the subrecipient as the final report.
- If a subrecipient fails to submit, within 45 calendar days of its due date, any report or response required by this Contract, including responses to monitoring reports, the Hidalgo County American Rescue Plan Act Program may, in its sole discretion, deobligate, withhold or suspend any or all payments otherwise due or requested by subrecipient hereunder, and/or initiate proceedings to terminate the Contract.
- The following documents are typically required from the subrecipient for close out by the date specified by the prime grantee:
  - a. Final invoice(s)
  - b. Final financial report
  - c. Final expenditure report



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American Rescue Plan Act 2022

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- Hidalgo County will perform a final desk audit of final invoices, final financial reports, and final programmatic responses and, if necessary, may request additional supporting documentation.





**Exhibit A**

Subrecipient Risk Assessment: {Subrecipient, Unique Entity Identifier}

Risk Assessment Tool			
Subrecipient Name			
Project Title			
ARPA Project Number			
Fiscal Impact			
Grant Period			
Monitor Period			
Authorized Grantee Representative			
Individual who is appropriately authorized to attest to the accuracy of the information below.			
Name	Title	Signature	
Phone Number	Email		
#	Question	Response - Select from Dropdown	Comments
1	Does your organization have any grant experience? (If yes, provide types of grants and grant names.		
2	Has your organization managed federally funded grant programming in the last 24 months? (If yes, provide a list of current grants)		
3	Was your organization subject to financial and/or single audits in the last 24 months? If Yes, provide copies of audits.		
4	Is your organization free of any audit findings within the last 5 years? If No, provide findings, management responses and status of findings.		
5	Has your organization taken appropriate and timely action to remedy prior findings?		
6	Has your organization undergone any annual Federal or State Compliance or monitoring related activities?		
7	Does your organization have the capacity to manage and implement federal regulations, such as 2 CFR 200, segregation of duties, cash handling, contracting procedures, and personnel and travel policies? (2 CFR 200.303 - Internal Controls)		
8	Does your organization have written policies and procedures in place that are in alignment with 2 CFR 200 for the items below?		
	1) Ethics/ Professional Conduct (Provide copy.)		
	2) Conflict of Interest Policy (Provide copy.)		
	3) Purchasing/Procurement (Provide copy.)		
	4) Segregation of Duties (Provide copy.)		
	5) Monitoring the use of grant funds (Provide copy.)		
9	Has key staff been instrumental in the funds process and generally remained stable in the past 2 years?		
10	Does your organization have the necessary personnel to ensure that documents and/or status reports are provided to the County as required?		
11	Does your organization maintain an inventory of federal government property that, at a minimum, identifies purchase date, cost, vendor, description, serial number, location and disposition of equipment? (If Yes, provide a copy of the inventory log.)		
12	Has your organization's financial or grant management system (technology or other) remained unchanged in the last 12 months? If changes were made, please explain in the comments section.		
13	Does your organization's accounting system segregate expenditures by funding source? (Per 2 CFR 200.302, systems must be sufficient to permit the preparation of reports and tracing of funds.)		
14	Does your organization have an active SAM.gov account that is not debarred, suspended or federal debt delinquent? (If Yes, provide a copy from <a href="http://SAM.gov">SAM.gov</a> .)		
15	Does your entity maintain central file locations for all grants, loans or other types of financial assistance?		
16	Has your entity been consistent and timely with prior program reporting requirements?		
17	Have your entity's financial reports for any previous programming been adequate, accurate and timely?		



## **Exhibit B**

### Requirements of Subaward Documentation Checklist

- Copy of signed Memorandum of Understanding
- Signed acknowledgement of receipt of grant award special conditions and agreement to comply with grant award special conditions (see Exhibit F)
- Subrecipient will submit requests for payment for goods and services for approved budgeted expenses on a reimbursement basis only. Invoices for reimbursement must be accompanied by sufficient and accurate backup documentation that supports the expense. Expenses incurred prior to the grant begin date or after the grant end date will not be reimbursed.
- List of expenditures purchased with grant funds. List should show description of supply/equipment, serial number, if any, vendor name, date of purchase, amount of item, location where the items are kept, funding source, disposal date and value at disposal date.
- Subrecipient financial report that contains:
  - Award amount
  - Invoices paid by subaward budget category
  - Remaining amount of subaward after invoices paid
  - Funds remaining unused after the end of the grant award will be returned to the prime grantee.
- Response by subrecipient (e-mail is acceptable) for information requested for the quarterly reports.
- Response by subrecipient (e-mail is acceptable) of agreement to cooperate during annual site visit for review of Subrecipient Monitoring Policy, Goals and Procedures and ensure compliance of federal statutes, regulations and terms/conditions of award. The response must also confirm agreement to on-site reviews of the subrecipient's program operations and allow access to the subrecipient's financial records.
- Budget modification requests, as needed, should be submitted by the subrecipient, along with explanation of why a budget modification is needed and how the budget modification supports the goals and objectives of the program/project.



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American Rescue Plan Act 2022

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- Change in Scope requests, as needed, should be submitted by the subrecipient, along with explanation of why a change in scope is needed and how the change in scope supports the goals and objectives of the program/project.
- Resolution of findings within 30 days, if any, after annual site visit.
- For grant closeout, subrecipients must submit the following within the time frame defined by the prime grantee:
  - Final invoice(s)
  - Final Financial Report
  - Final Supplies and Equipment report
- Present County Officials and Employees – Conflict of Interest
  - Subrecipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts.
  - No employee, officer, or agent of subrecipient shall participate in the selection, award or administration of a contract supported by federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner or an organization that employs or is about to employ any of the Parties indicated herein, has a financial or other interest in the firm selected for an award.
  - The officers, employees and agents of the subrecipient shall neither solicit nor accept gratuities, favors or anything of monetary value from contractors, or parties to sub agreements. Subrecipients shall be required to follow existing Hidalgo County American Rescue Plan Act Program procedures, requirements and standards for any situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees or agents of the subrecipient.
  - Subrecipient shall, in addition to the requirements of Section 25, follow the requirements of Chapter 171 of the Local Government Code regarding conflicts of interest of officers of municipalities, counties and certain other local governments.



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American Rescue Plan Act 2022

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- Failure to maintain written standards of conduct and to follow and enforce the written standards is a condition of default under this Contract and may result in termination of the Contract or deobligation of funds.
- Political Activity Prohibited
  - None of the funds provided under the Contract shall be used for any type or form of the following: monetary and/or non-monetary funding, campaign contributions, political and/or campaign online and/or any other media format, or in person advertising, campaigning, supporting, lobbying, participating and/or influencing the outcome of any election, or the passage or defeat of any vote, ballot, constitutional and/or legislative measure(s). This prohibition shall not be construed to prevent any state official or employee from furnishing to any member of its governing body upon request, or to any other local or state official or employee, or to any citizen, information in the hands of the employee or official not considered under law to be confidential information.
  - No funds provided under the Contract may be used directly or indirectly to hire employees, or fund in any other way, or support candidates for the legislative, executive, or judicial branches of government, the State of Texas, or the government of the United States.
  - None of the funds provided under this Contract shall be used to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award governed by the Byrd Anti-Lobbying Amendment (31 U.S.C. §1352) as the Development Owner and each of its tiers have certified by their execution of the “Certification Regarding Lobbying for Contracts, Grants, Loans, and Cooperative Agreements”

By signing below, I agree to provide all documents listed above and additional documentation if needed, to Hidalgo County via the Hidalgo County American Rescue Plan Act Program by the date requested.

\_\_\_\_\_  
Hidalgo County American Rescue Plan Act Program

\_\_\_\_\_  
Date

\_\_\_\_\_  
Grantee

\_\_\_\_\_  
Date



## Exhibit C

### Site Visit Monitoring Checklist

- Pre-site visit notice sent subrecipient (See Exhibit D)
- Hidalgo County has received the following documentation:
  - Signed Memorandum of Understanding (MOU)
  - Signed acknowledgement of grant special conditions
  - Signed 'Requirements of subaward documents to be submitted by subrecipient.
- A copy of the subrecipient's budget plan on file
- Hidalgo County has received a list of invoices paid under each federal grant and corresponding list of equipment/supplies to be reviewed during the annual site visit provided to subrecipient
- Are invoices from subrecipient delayed, inconsistent, failure to provide backup, improperly documented
- Do the subrecipient's invoices support the goals and objectives of the grant
- Does the subrecipient submit information required for quarterly reports
- Is the subrecipient's rate of spending appropriate for their progress
- Has the subrecipient provided an inventory list of supplies and equipment purchased with grant funds
- Is performance progressing in an expected manner to support the goals and objectives of the grant
- Are there severe programmatic or administrative issues by the subrecipient, which may cause the subaward to be terminated
- Does the subrecipient respond timely to requests for financial and budget/scope revision information
- Was the Site Visit Evaluation report submitted to the subrecipient complete with findings and request for resolution to issues



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American Rescue Plan Act 2022

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- Post site-visit letter sent to subrecipient (see Exhibit E)
- Subrecipient resolution of site visit findings and issues received by prime grantee





## **Exhibit D**

### Pre-Site Visit Letter Template

Subject: Hidalgo County American Rescue Plan Act Program Site Visit, {ARPA Project #}

Dear { },

On {DATE OF VISIT}, the American Rescue Plan Act Program will be visiting your site facilities at {LOCATION} for the purpose of reviewing financial, administrative and compliance aspects of your subaward, and also viewing items purchased with grant funds awarded to your agency through the Hidalgo County as funded by the American Rescue Plan Act.

The site visit is part of the monitoring policy that the County has implemented to ensure compliance with U.S. Department of the Treasury guidance. The focus of the visit is to assess deliverables listed on the attached document (list of invoices and equipment/supplies purchased) and review the financial process of paying grant-related invoices. The visit should be helpful to the grant program performance, and program staff will also respond to any questions or concerns during the visit.

Please ensure that key staff is available for the site visit. I am hopeful that our meeting will be mutually beneficial. We will meet you at your office at XX:XX a.m.

Sincerely,

{ARPA Program Manager}



## **Exhibit E**

### Post-Site Visit Letter Template

Subject: Hidalgo County American Rescue Plan Act Program Site Visit, {ARPA Project #}

Dear { },

Thank you for the support and cooperation during our site visit on {DATE OF VISIT}. During the evaluation, Hidalgo County American Rescue Plan Act Program staff examined your financial, administrative, internal control procedures and visually inspected the items purchased with federal funds awarded to your agency through Hidalgo County as funded by the American Rescue Plan Act. The federal funding on this site visit involved the following grant(s):

- {ARPA Project #}

The site visit is part of the monitoring policy that Hidalgo County has incorporated into its American Rescue Plan Act Program, which provides for at least one visit per year per grant. As discussed during the exit conference, there were no findings or recommendations that need correction.

{OR, describe here the recommendations/findings that need to be addressed. IF, A corrective action plan will be required, specify the due date for the plan.}

Again, thank you for your cooperation. I look forward to working with you on future grant opportunities.

Sincerely,

{ARPA Program Manager}



**Exhibit F**

Hidalgo County American Rescue Plan Act Subrecipient Monitoring Policy and  
Procedures Acknowledgement

By signing this document, I acknowledge that I have received a copy of the Hidalgo County Subrecipient Monitoring Policy, Goals and Procedures. I recognize it contains important information on the Hidalgo County grant policies, procedures, rules and regulations. It is my responsibility to familiarize myself with the material in the handbook.

I understand that no statement contained in this handbook creates any guarantee of continued funding or creates any obligation, contractual or otherwise, on the part of the program.

I understand compliance with the policies and procedures is a condition for the program to continue to be eligible for grant awards from the American Rescue Plan Act and that any violations of the policies and procedures may result in corrective action, including the termination of any grant funds up to the obligation of returning funds to grantor.

{Grant Year}, {Grant Name}, {ARPA Project Number}

\_\_\_\_\_  
ARPA Program Manager

\_\_\_\_\_  
Date

\_\_\_\_\_  
Subrecipient

\_\_\_\_\_  
Date



## **Exhibit G**

### Subrecipient Site Visit Evaluation Report

Date of Site Visit:

Site Visit Evaluation Report Prepared by:

Subrecipient:

Attendees:

Pre-Meeting Notes

List any issues, concerns, or other specialty items for follow-up during review.

- 1.
- 2.

Summary of Progress

Subrecipient must submit a written summary of the major work plan milestones during the review period at least one week prior to the review. The summary must address 1) number of clients served as compared with projections; 2) staffing; 3) activities undertaken; and 4) significant accomplishments. A copy of that summary will be appended to this written review report.



Subrecipient Monitoring Overview Form	
ARPA Specialist	
Type of Review	
Date	

Subrecipient Information	
Entity Name	
Program Personnel	
Phone Number	
Fiscal/Audit Personnel	
Phone Number	

#	General Compliance		Comments
1	<b>Program Implementation</b>	Indicate milestones met and identify milestones needed to be completed.	
2	<b>Activities / Products</b>	Identify reports that were submitted, and those still needed for submission.	
3	<b>Corrective Actions</b>	Indicate recommendations due to review process.	
4	<b>Quality of Implementation</b>	Are activities on schedule and impacting the intended goals?	
5	<b>Issues / Problems</b>	Identify concerns: milestones, staffing, reporting, etc.	



Subrecipient Monitoring Form	
ARPA Specialist	
Type of Review	
Date	

Subrecipient Information	
Entity Name	
Program Personnel	
Phone Number	
Fiscal/Audit Personnel	
Phone Number	

General Compliance	Response - Select from Dropdown	Comments
1	Has there been a change in the activity goals, scope of service, number of people to be served or other special terms as indicated in the Interlocal Agreement?	
2	Is the subrecipient providing the full scope of services as stated in the Interlocal Agreement?	
3	Are the activities achieving the expected quantifiable levels of performance (number of persons served, achieving goals set, etc.) reaching the intended client group?	
4	Is the activity conducted in a timely manner?	
5	Did the activity operate within the approved budget?	

General Comments	
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Personnel	Response - Select from Dropdown	Comments
6	Does the recipient have a reimbursement policy?	
7	Were detailed receipts provided to support the amounts requested?	
8	If reimbursed for training or conference expenses, was a certificate of attendance or completion, or agenda and brochure provided to support request for reimbursement?	
9	Is travel approved in advance by a supervisor or project manager?	
10	Are travel expenditures documented with expense reports and/or detailed receipts? (R	
11	Are mileage logs supported by mileage logs or similar documentation?	
12	Are personnel files maintained for each employee that include current job descriptions, performance evaluations, and changes in pay?	
13	Do timesheets, activity reports or payroll files clearly demonstrate the effort toward th	
14	Are all staff positions and fringe benefits consistent with the approved budget?	

General Comments	
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Equipments and Supplies	Response - Select from Dropdown	Comments
15	Is an equipment purchasing procedure in place?	
16	Is equipment inventoried, insured and managed?	
17	Is there a disposition of equipment policy?	
18	Are supply purchases approved and well-documented with quotes, invoices, or receipts?	
19	Were all transactions conducted in a manner providing full and open competition from an adequate number of sources?	
20	Is there a substantial amount of inventory at project termination?	

General Comments	
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Financial Management	Response - Select from Dropdown	Comments
21	Is there a separate accounting for all financial transactions for the subaward?	
22	Are accounting records supported by source documentation?	
23	Is proper fiscal retention being followed (through December 31, 2031)?	
24	Were applicable State and Federal suspension and debarment listings consulted prior to doing business with a vendor or contractor?	
25	Were invoices reviews for eligibility prior to payment?	
26	Are disbursements fully supported by invoices, requisitions, purchase orders or similar documentation?	
27	Are routine reconciliations conducted?	
28	Are sufficient internal controls in place to promptly correct or resolve issues?	

General Comments	
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Other Direct Costs	Response - Select from Dropdown	Comments
29	Are rent payments documented by a copy of the lease agreement, and canceled checks or receipts?	
30	Are receipts, bills, and invoices properly maintained as per the approved budget?	
31	Are costs being shared with other programs or funding sources?	

General Comments	
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Recommendations/Monitor Interventions	
Financial	
Programmatic	
Other	



**Exhibit H**

State and Local Fiscal Recovery Funds Expenditure Categories

<b>1: Public Health</b>
1.1 COVID-19 Vaccination ^
1.2 COVID-19 Testing ^
1.3 COVID-19 Contact Tracing
1.4 Prevention in Congregate Settings (Nursing Homes, Prisons/Jails, Dense Work Sites, Schools, etc.)*
1.5 Personal Protective Equipment
1.6 Medical Expenses (including Alternative Care Facilities)
1.7 Other COVID-19 Public Health Expenses (including Communications, Enforcement, Isolation/Quarantine)^
1.8 COVID-19 Assistance to Small Businesses^
1.9 COVID 19 Assistance to Nonprofits^
1.10 COVID-19 Aid to Impacted Industries^
1.11 Community Violence Interventions*^
1.12 Mental Health Services*^
1.13 Substance Use Services*^
1.14 Other Public Health Services^
<b>2: Negative Economic Impacts</b>
2.1 Household Assistance: Food Programs* ^
2.2 Household Assistance: Rent, Mortgage, and Utility Aid* ^
2.3 Household Assistance: Cash Transfers* ^
2.4 Household Assistance: Internet Access Programs*^
2.5 Household Assistance: Paid Sick and Medical Leave^
2.6 Household Assistance: Health Insurance*^
2.7 Household Assistance: Services for Un/Unbanked*^
2.8 Household Assistance: Survivor's Benefits^
2.9 Unemployment Benefits or Cash Assistance to Unemployed Workers*^
2.10 Assistance to Unemployed or Underemployed Workers (e.g. job training, subsidized employment, employment supports or incentives)*^
2.11 Healthy Childhood Environments: Child Care*^
2.12 Healthy Childhood Environments: Home Visiting*^
2.13 Healthy Childhood Environments: Services to Foster Youth or Families Involved in Child Welfare System*^
2.14 Healthy Childhood Environments: Early Learning*^
2.15 Long-term Housing Security: Affordable Housing*^
2.16 Long-term Housing Security: Services for Unhoused Persons*^



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 American Rescue Plan Act 2022

2.17 Housing Support: Housing Vouchers and Relocation Assistance for Disproportionately Impacted Communities*^
2.18 Housing Support: Other Housing Assistance*^
2.19 Social Determinants of Health: Community Health Workers or Benefits Navigators*^
2.20 Social Determinants of Health: Lead Remediation*^
2.21 Medical Facilities for Disproportionately Impacted Communities^
2.22 Strong Healthy Communities: Neighborhood Features that Promote Health and Safety^
2.23 Strong Healthy Communities: Demolition and Rehabilitation of Properties^
2.24 Addressing Educational Disparities: Aid to High-Poverty Districts^
2.25 Addressing Educational Disparities: Academic, Social, and Emotional Services*^
2.26 Addressing Educational Disparities: Mental Health Services*^
2.27 Addressing Impacts of Lost Instructional Time^
2.28 Contributions to UI Trust Funds^
2.29 Loans or Grants to Mitigate Financial Hardship^
2.30 Technical Assistance, Counseling or Business Planning*^
2.31 Rehabilitation of Commercial Properties or Other Improvements^
2.32 Business Incubators and Start-Up or Expansion Assistance*^
2.33 Enhanced Support to Microbusinesses*^
2.34 Assistance to Impacted Nonprofit Organizations (Impacted or Disproportionately Impacted)^
2.35 Aid to Tourism, Travel, or Hospitality^
2.36 Aid to Other Impacted Industries^
2.37 Economic Impact Assistance: Other*^
<b>3: Public Health-Negative Economic Impact: Public Sector Capacity</b>
3.1 Public Sector Workforce: Payroll and Benefits for Public Health, Public Safety, or Human Services Workers
3.2 Public Sector Workforce: Rehiring Public Sector Staff
3.3 Public Sector Workforce: Other
3.4 Public Sector Capacity: Effective Service Delivery
3.5 Public Sector Capacity: Administrative Needs
<b>4: Premium Pay</b>
4.1 Public Sector Employees
4.2 Private Sector: Grants to Other Employers
<b>5: Infrastructure</b>
5.1 Clean Water: Centralized Wastewater Treatment
5.2 Clean Water: Centralized Wastewater Collection and Conveyance
5.3 Clean Water: Decentralized Wastewater
5.4 Clean Water: Combined Sewer Overflows
5.5 Clean Water: Other Sewer Infrastructure
5.6 Clean Water: Stormwater
5.7 Clean Water: Energy Conservation



**Hidalgo County • Department of Budget & Management**  
 American Rescue Plan Act 2022

5.8 Clean Water: Water Conservation
5.9 Clean Water: Nonpoint Source
5.10 Drinking water: Treatment
5.11 Drinking water: Transmission & Distribution
5.12 Drinking water: Lead Remediation, including in Schools and Daycares
5.13 Drinking water: Source
5.14 Drinking water: Storage
5.15 Drinking water: Other water infrastructure
5.16 Water and Sewer: Private Wells
5.17 Water and Sewer: IIJA Bureau of Reclamation Match
5.18 Water and Sewer: Other
5.19 Broadband: “Last Mile” projects
5.20 Broadband: IIJA Match
5.21 Broadband: Other projects

\*Denotes areas where recipients must identify the amount of the total funds that are allocated to evidence-based interventions

^Denotes areas where recipients must report on whether projects are primarily serving disadvantaged communities



## **Exhibit I**

### Evidenced-Based Intervention Additional Information

What is evidence-based?

For the purposes of the SLFRF, evidence-based refers to interventions with strong or moderate evidence as defined below:

Strong evidence means the evidence base that can support causal conclusions for the specific program proposed by the applicant with the highest level of confidence. This consists of one or more well-designed and well-implemented experimental studies conducted on the proposed program with positive findings on one or more intended outcomes.

Moderate evidence means that there is a reasonably developed evidence base that can support causal conclusions. The evidence base consists of one or more quasi-experimental studies with positive findings on one or more intended outcomes OR two or more nonexperimental studies with positive findings on one or more intended outcomes. Examples of research that meet the standards include: well-designed and well-implemented quasi-experimental studies that compare outcomes between the group receiving the intervention and a matched comparison group (i.e., a similar population that does not receive the intervention).

Preliminary evidence means that the evidence base can support conclusions about the program's contribution to observed outcomes. The evidence base consists of at least one non-experimental study. A study that demonstrates improvement in program beneficiaries over time on one or more intended outcomes OR an implementation (process evaluation) study used to learn and improve program operations would constitute preliminary evidence. Examples of research that meet the standards include: (1) outcome studies that track program beneficiaries through a service pipeline and measure beneficiaries' responses at the end of the program; and (2) pre- and post-test research that determines whether beneficiaries have improved on an intended outcome.



## Exhibit J

### Code of Federal Regulations §200.332: Requirements for Pass-Through Entities

- Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:
  - Federal award identification
    - Subrecipient name (which must match the name associated with its unique entity identifier);
    - Subrecipient's unique entity identifier;
    - Federal Award Identification Number (FAIN);
    - Federal Award Date (see the definition of Federal award date in § 200.1 of this part) of award to the recipient by the Federal agency;
    - Subaward Period of Performance Start and End Date;
    - Subaward Budget Period Start and End Date;
    - Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;
    - Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation;
    - Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;
    - Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
    - Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;



## Hidalgo County • Department of Budget & Management

### American Rescue Plan Act 2022

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- Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;
  - Identification of whether the award is R&D; and
  - Indirect cost rate for the Federal award (including if the de minimis rate is charged) per § 200.414.
- All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award;
  - Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;
  - An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government. If no approved rate exists, the pass-through entity must determine the appropriate rate in collaboration with the subrecipient, which is either:
    - The negotiated indirect cost rate between the pass-through entity and the subrecipient, which can be based on a prior negotiated rate between a different PTE and the same subrecipient. If basing the rate on a previously negotiated rate, the pass-through entity is not required to collect information justifying this rate, but may elect to do so;
    - The de minimis indirect cost rate.
  - The pass-through entity must not require use of a de minimis indirect cost rate if the subrecipient has a Federally approved rate. Subrecipients can elect to use the cost allocation method to account for indirect costs in accordance with § 200.405(d).
  - A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part; and
  - Appropriate terms and conditions concerning closeout of the subaward.
  - Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the



## Hidalgo County • Department of Budget & Management

### American Rescue Plan Act 2022

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appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:

- The subrecipient's prior experience with the same or similar subawards;
  - The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F of this part, and the extent to which the same or similar subaward has been audited as a major program;
  - Whether the subrecipient has new personnel or new or substantially changed systems; and
  - The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).
- Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in § 200.208.
  - Monitor the activities of the subrecipient as necessary 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. Pass-through entity monitoring of the subrecipient must include:
    - Reviewing financial and performance reports required by the pass-through entity.
    - Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and written confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular subaward.
    - Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521.
  - The pass-through entity is responsible for resolving audit findings specifically related to the subaward and not responsible for resolving crosscutting findings. If a subrecipient has a current Single Audit report posted in the Federal Audit Clearinghouse and has not otherwise been excluded from receipt of Federal funding (e.g., has been debarred or suspended), the pass-through entity may rely on the subrecipient's cognizant audit



## Hidalgo County • Department of Budget & Management

American Rescue Plan Act 2022

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agency or cognizant oversight agency to perform audit follow-up and make management decisions related to cross-cutting findings in accordance with section § 200.513(a)(3)(vii). 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.

- Depending upon the pass-through entity's assessment of risk posed by the subrecipient, 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:
  - Providing subrecipients with training and technical assistance on program-related matters; and
  - Performing on-site reviews of the subrecipient's program operations;
  - Arranging for agreed-upon-procedures engagements as described in § 200.425.
- Verify that every subrecipient is audited as required by Subpart F of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501.
- Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.
- Consider taking enforcement action against noncompliant subrecipients as described in § 200.339 of this part and in program regulations.

[85 FR 49543, Aug. 13, 2020, as amended at 86 FR 10440, Feb. 22, 2021]