

# DHHS Division of Contract Management

## Guidance for Subrecipient Review Process

September 24, 2019

Rider B, Rider D and MAAP references the Department's responsibility to approve all of the sub-recipient award agreements that are included as part of agreements between Providers and the Department. This document outlines the process for approving sub-recipients of Providers and the Department's responsibility in reviewing their sub-agreements.

### Sub-Recipient Award Summary

Description	Client Service	State Service
Approval to Use Sub-Recipient  Those identified during contract negotiation and are subsequently included in a budget (Rider F, Table of Allowable Expenses) are inherently approved	Required	Required
Department Receives, Reviews and e-Files Copy of Agreement/MOU/Budget per guidelines below	Required	On Demand

### Sub-Recipient Documentation Guidelines

- For any sub-recipient award that is **\$5,000 or less:**
  - No documentation is required, unless specifically requested by the appropriate DHHS Program Manager.
- For any sub-recipient award that is **between \$5,000 & \$25,000,**
  - A signed/fully executed Contract or Memorandum of Understanding (MOU) which at a minimum includes the following:
    - Start & End Dates;
    - Dollar amount;
    - Type of Service(s) to be provided and funding amounts allocated to that/those services;
    - Reporting requirements;
    - A single page line item expense report; and
    - Payment schedule.
- For any sub-recipient award that is **greater than \$25,000,**
  - A signed/fully executed Contract is required that mirrors the Provider's agreement with the Department. It must at a minimum include the following:
    - Rider A Scope of Work must clearly state the Sub-recipient relationship to the original agreement with the contracting provider, scope of work to be delivered, reporting requirements and total amount of the sub-agreement
      - This is reviewed and approved by the **DHHS Program Manager**
    - Rider B and Rider D that mirrors the contracting provider's agreement
      - This is reviewed and approved by the **DHHS DCM Contract Administrator (SPOC)**
    - Budget pages i.e. forms 1, 2, 3, 4, 4a, 4b, 5, & Pro-Forma.
      - This is reviewed and approved by the **DHHS DCM Contract Budget Administrator**

In all cases, the MOU/sub-recipient agreement is not included in the agreement documents sent to DAFS Purchases for encumbrance. They are e-filed in the Agreements folders.

### Process Related Guidance

- Program will notify if there are sub-agreements
- Budget Team will include in notification that sub-recipient budgets are included

- Before sending encumbered agreements to provider, check the allocation database for numbers of sub-recipients

## **Timeframe Guidance**

### Prior to Contract Start Date

If the agreement includes sub-recipient awards, the Contract Administrator (CA/SPOC) must send an email to the provider informing the provider that a sub-recipient agreement or MOU is due, and providing a link to the Department's Sub-recipient Award Review Process at

<https://www.maine.gov/dhhs/contracts/sub-recipient-process.html>

This message should be included when sending the agreement to the provider for signature.

### 10 Business Days After the Contract Start Date

If the sub-recipient agreement or MOU is not received ten (10) business days after the contract start date, the Contract Administrator must send a reminder, via email, to the provider, with a copy to the CRM/CM for the Office, DCM Deputy Director, Office Director (or designee), and the PA. The email (with Vendor name, Agreement number, and "Sub-recipient Agreement" in the subject line) should include:

- A message reminding the provider that the sub-recipient agreement or MOU is due, and
- A link to the Sub-recipient Award Review Process at <https://www.maine.gov/dhhs/contracts/sub-recipient-process.html>
- Language stating that DHHS DCM will take further action, up to and including withholding payments.

### 20 Business Days after the Contract Start Date

If the sub-recipient agreement or MOU is still not received after twenty (20) business days from the contract start date, the CA should send an email to the provider, with a copy to the CRM/CM for the Office, DCM Deputy Director, Office Director (or designee), and the program administrator (using Vendor, agreement number, and "Overdue Sub-recipient Agreement" in subject line) to obtain the required sub-recipient agreement. The email should include:

- A message reminding the provider that the sub-recipient agreement or MOU is now overdue,
- A link to the Sub-recipient Award Review Process at <https://www.maine.gov/dhhs/contracts/sub-recipient-process.html>
- Language stating that DHHS DCM is taking further action, up to and including withholding payments. This step should only be taken at the direction of the CRM/CM and in consultation with the Office Director/Designee.

### **Exceptions:**

- The five Area Agencies on Aging have sub-recipient awards of Title III B funding to Legal Services for the Elderly as required by the Federal Older Americans Act. Rather than five separate sub-recipient award budgets, the sub-recipient awards and related expenses are detailed in the agreement for legal services between DHHS and Legal Services for the Elderly.