



Monitoring Best Practices

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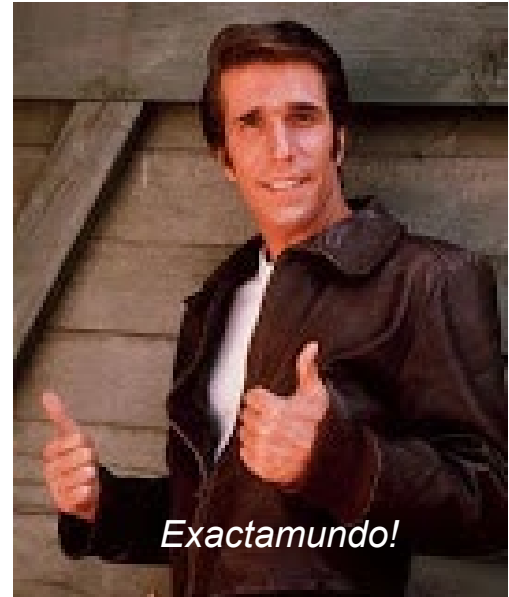


Internal Controls

- [2 C.F.R. § 200.303](#): Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.
- Includes:
 - Compliance with all Statutes, Regulations, Terms and Conditions
 - Following State Procurement rules and Federal Acquisition Regulations

Other Indicators of Good Internal Controls

- Timely liquidation of drawdowns
- Timely submission of reports
- Purchased assets are being safeguarded properly
- Understand the required certifications and assurances and implement corresponding policies
- Know who are your signatories and chain of command
- Ensure that there are multiple approval levels for transparency



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Procurement (States)

- [2 C.F.R. § 200.317](#): When conducting procurement transactions under an award, a State must follow the same policies and procedures it uses for procurement with non-Federal funds.
- A State must also comply with:
 - §200.321 (contracting with small and minority businesses, women's business enterprises, veteran owned businesses, and labor surplus area firms)
 - §200.322 (domestic preferences for procurements);
 - §200.323 (procurement of recovered materials).



Procurement: Domestic Preferences

[2 C.F.R. § 200.322:](#)

- As appropriate and to the extent consistent with law, the non-Federal entity (now including SLAAs, see 2 C.F.R. §200.317 procurement, above) should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States.
- The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under the award.
- This requirement does not set a dollar threshold; it states that domestic preference should be used as appropriate and to “to the greatest extent practicable.”



Procurement: Telecom and Video Specifications

2 C.F.R. § 200.216 and § 200.417: Prohibits recipients and subrecipients from using grant funds to:

- Obtain equipment, services, or systems that uses telecommunications and Surveillance equipment produced by Huawei Telecommunications Company or ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company, or any of their subsidiaries or affiliates.
- Also prohibited are telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense believes to be owned or controlled by the government of a covered foreign country (People's Republic of China).
- For additional information, please also see the FAQs at: https://www.cfo.gov/wp-content/uploads/2021/Sec.%20889%20of%202019%20NDAA_FAQ_20201124.pdf



Equipment Safeguards

[2 C.F.R. § 200.313: Equipment](#) outlines responsibilities, including:

- Equipment purchases must be pre-approved by IMLS
- Use the equipment for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project, whether or not the project or program continues to be supported by the Federal award.
- Please note that the regs differentiate the responsibilities of a States and other non-federal entities, including [2 C.F.R. § 200.332: Requirements for Pass-through Entities](#).



Inventory of Equipment

- A physical inventory of the property must be taken and reconciled with property records at **least once every two years.**
- A control system must be in place to ensure safeguards for preventing property loss, damage, or theft. Any loss, damage, or theft of equipment must be investigated.
- Regular maintenance procedures must be in place to ensure the property is in proper working condition.
- If the recipient/subrecipient is authorized or required to sell the property, proper sales procedures must be in place to ensure the highest possible return.



Equipment Disposition

- Items of equipment with a current per unit fair market value of \$5,000* or less may be retained, sold or otherwise disposed of with no further responsibility to the Federal awarding agency.
- Items of equipment with a current per-unit fair market value in excess of \$5,000*, the grantee must request disposition approval and instructions from IMLS. You will submit a letter to IMLS that outlines what the equipment is and how you'll dispose of it.
Generally:
 - We encourage awardees to transfer the equipment to another institution that can use it in a similar fashion (Perhaps another library could use it?)
 - If the awardee would like to sell the equipment, include details of how the funds from the sale will be used. We encourage that the funds go toward another object of similar use.



Equipment purchased by Subrecipients

- As a Pass-through, it is best to:
 - Require that records be kept by the subrecipient
 - If conducting an in-person site visit*, ask to see physical assets purchased with current or past federal funds

**Site visits are not required*



Requirements for Pass-throughs: Pre-Award

[2 C.F.R. § 200.332](#)

- Provide clear requirements in accordance with laws
- Evaluate applicant's risk of non-compliance
 - Have they had previous experience with funding?
 - Are there audits?
 - Have their personnel or systems changed substantially?
- Subrecipients must have a SAM.gov registration (UEI)
- As a Pass-through, you must honor subrecipient negotiated indirect cost rates (but can ask for paperwork)

Requirements for Pass-throughs: During the Award

- [Report in FSRs](#): Individual sub-awards greater than or equal to \$30,000 at the time of the award
- Provide training and keep in touch
- Keep records of your subawards and require them to keep records as well
- Review financial and performance reports
 - You may use additional methods of monitoring, like site visits
- Take action for non-compliance, see [2 C.F.R. §. 200.339: Remedies for Noncompliance](#)



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Questions?