SUBRECIPIENT MONITORING FILE

What 2 CFR 200.332 requires the file to contain

Subrecipient monitoring produces findings year after year, and almost never because money went missing. It is because the file cannot show that a risk assessment happened, that monitoring matched the assessed risk, or that findings were followed up.

Before the checklist

Under 2 CFR 200.331 decide first whether the organisation is a subrecipient or a contractor. Monitoring duties attach to subrecipients only. Record the determination and the reasoning: it is itself a document auditors request, and it is frequently missing.

The nine items

- [ ] Subrecipient vs. contractor determination, dated, naming the decider and the reasoning.
- [ ] Executed subaward agreement carrying the required data elements: federal award identification, Assistance Listing number, period of performance, amount, indirect rate and closeout terms.
- [ ] Written risk assessment, dated, naming the assessor, stating the risk level AND the specific reasoning behind it.
- [ ] Monitoring plan that follows from the assessed risk: what monitoring, how often, by whom.
- [ ] Evidence monitoring actually happened: dated records of desk reviews, site visits, invoice reviews and technical assistance, each naming who performed it.
- [ ] Financial report and invoice review showing costs were reviewed for allowability before payment, with reviewer, date and disposition.
- [ ] Single Audit report review where the subrecipient is above the threshold, with a management decision issued on any findings within the required period.
- [ ] Findings, management decisions and dated verification that corrective action was completed.
- [ ] Closeout record: final reports received and accepted, final invoice, release of remaining obligations.

The three failures that produce most findings

1. The risk assessment exists only in someone's head. The judgement was genuinely made, but nothing was written down, so nothing is testable.

2. Monitoring happened but left no dated trace. Calls were held and problems solved; at audit it did not happen.

3. Findings were raised and quietly resolved, with no management decision or verification in the file. Auditors treat the loop as open.

All three share a cause: the record was expected to be assembled later, from memory and email. It never survives that.

agency and your auditor.