



DATE: July 8, 2016

DIRECTIVE NO: 33-16

RECISSION: La Cooperativa Directive No. 14-09

TO: All La Cooperativa Subrecipients

SUBJECT: Monitoring and Oversight

PURPOSE:

The purpose of this directive is to provide subrecipients of the La Cooperativa with its policy regarding oversight of its subawards.

REFERENCES:

- 2 CFR Chapter I and Chapter II, Parts 200, 215, 220, 225, and 230 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule

BACKGROUND:

On December 26, 2013, the Office of Management and Budget revised the Uniform Administrative Requirements for Federal grants, combining those requirements with those of the audit requirements and cost principles. These regulations are codified at 2 CFR Chapter I and Chapter II, Parts 200, 215, 220, 225, and 230, became effective December 26, 2014, and are referred to as the Uniform Guidance. These rules at 2 CFR 200.328 contain the oversight requirements that pass-through entities must perform of Federal funds awarded to subrecipients.

DEFINITIONS:

Corrective action means action taken by the auditee that:

- a. Corrects identified deficiencies;
- b. Produces recommended improvements; or
- c. Demonstrates that audit findings are either invalid or do not warrant auditee action.



(2 CFR 200.26)

Disallowed costs means those charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the Federal award. (2 CFR 200.31)

Internal controls means a process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- a. Effectiveness and efficiency of operations;
- b. Reliability of reporting for internal and external use; and
- c. Compliance with applicable laws and regulations.

(2 CFR 200.61)

Subaward means 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, including an agreement that the pass-through entity considers a contract. (2 CFR 200.92)

Subrecipient means 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. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. (2 CFR 200.93)

POLICY:

Under the Uniform Guidance, CSS is responsible for oversight of Federal award supported activities. The Uniform Guidance requires La Cooperativa to monitor these activities to ensure compliance with applicable Federal requirements and that performance expectations are being achieved. Monitoring by the La Cooperativa must cover each program, function and activity.

Oversight will be performed on an annual basis and will include both financial and programmatic activities. This process will verify that funds are being used for allowable and budgeted purposes, that applicable fiscal records are maintained and provide for an adequate audit trail.

Significant deficiencies in internal controls or failure to repay disallowed costs identified through this process may result in the imposition of sanctions or remedies.

ACTION:

La Cooperativa and its subrecipients shall follow this policy. This policy shall remain in effect until such time that a revision is required.

If you have any questions regarding this Directive, please contact Marina Tapia at (916) 388-2224 or e-mail at mtapia@lacooperativa.org .



Marco Lizarraga
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